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Japan

Gingrich Linked to Increased CIA Focus on Japan

OW1212121794 Tokyo SHUKAN DAIYAMONDO in Japanese 12 Dec 94 p 15

[Unattributed "Business Inside" column: "CIA Targeting Japan's 'Information' After Republicans' Victory"]

[FBIS Translated Text] Following the Republicans' landslide victory in the U.S. off-year elections, Japan is wondering what the Republican-led Congress' new policy toward Japan will be. In this regard, some U.S. watchers are paying attention to a new key person—Georgia's Newt Gingrich, the new majority whip of the U.S. House of Representatives, who is regarded as a new top leader of Republicans.

Representative Gingrich is an influential politician who has been called a "new star of conservative Republicans." He is expected to be elected as House speaker when the House convenes its New Year session. As he is known to be a strong sympathizer of the Central Intelligence Agency (CIA), a spy agency of the United States, U.S. policy toward Japan is likely to change drastically when he attains the top legislative post.

The CIA is losing the justification for its existence after the end of the Cold War. Some quarters in the U.S. Congress have even said that the CIA should be dissolved, and CIA leaders have been terribly frightened by moves in the Congress. However, the expansion of Gingrich's political influence is providing strong support for the CIA. This has reportedly lessened the CIA leaders' grave anxiety.

In line with the CIA's great expectations, "he has already begun to urge the Clinton administration to reinforce the intelligence gathering capabilities of the United States" (as noted by a U.S. congressional source). Yet there are no longer many spy jobs following the decline of communism. Under such circumstances, the CIA is trying to define Japan as a new target.

While the CIA has repeatedly advocated that the "collection of Japanese economic and industrial data should be the CIA's primary duty in the post-Cold War period," this opinion was not supported by the Congress. Rather, the majority of the Congress said that "funds for intelligence-related activities should be reduced."

However, the expansion of Gingrich's influence gave the CIA a way out of its difficulties. The CIA is now likely to fully engage itself in its "new duty." In other words, the CIA is likely to target information on trade negotiations with Japan and on the technological secrets of the Japanese business sector.

On the other hand, Japan is not yet aware of the crisis wherein the United States has defined Japan as a new "potential enemy." The Japanese Government is too unconcerned to learn about Gingrich. In the near future, the CIA's intelligence activities may "strip" Japan bare.

Murayama Hails U.S. Decision on A-Bomb Stamp

OW1012145194 Tokyo ASAHI SHIMBUN in Japanese 9 Dec 94 Evening Edition p 1

[FBIS Translated Text] Prime Minister Tomiichi Murayama, on the morning of 9 December, commented on the U.S. Postal Service's decision to drop a plan to issue a stamp featuring the mushroom cloud of an atomic bomb to commemorate the 50th anniversary of the end of World War II. Murayama, replying to questions from reporters in the Diet, said: "I hail their decision because they understood our stance as the only nation which has suffered from atomic- bombing. I deeply appreciate their consideration for the feelings of Japanese people. Smooth Japan-U.S. relations are extremely important for peace and stability in Asia."

Glass Framework Talks With U.S. Concluded

OW1212130494 Tokyo KYODO in English 1249 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Japan and the United States have reached a final agreement on ways to enhance foreign access to Japan's flat-glass market, Japanese International Trade and Industry Minister Ryutaro Hashimoto announced Monday [12 December].

"Detailed measures on better foreign access to the Japanese market have been worked out in line with basic accords reached between me and U.S. Trade Representative Mickey Kantor at the end of September," Hashimoto said in a statement read out at an unscheduled news conference.

"In the latest talks, we were able to observe international trading and investment rules, such as the principle of free trade and avoidance of discrimination against Japanese-affiliated makers operating in the U.S.," said Hashimoto.

The latest agreement is expected to prevent Washington from resorting to retaliatory measures like Section 301 of the 1974 Trade Law in the trade area.

In the hastily called press conference, Hashimoto released a package of measures intended to stimulate flat-glass trade between the two countries, including the holding of competitive international auctions for Japanese national projects using multilayer glass, better known as heat-resistant glass, the domain of U.S. glass makers.

Tokyo and Washington also agreed on a set of "objective criteria" shown both in quantitative and qualitative terms, as a means of gauging the openness of Japan's glass market, currently dominated by three major domestic makers.

Japan-U.S. glass trade talks, part of the bilateral "framework" talks for new economic and trade ties, resumed in Washington early last week.

Hashimoto and Kantor reached a basic accord at the end of September to craft a detailed set of steps on glass trade by the end of October.

But they were unable to do so, due to wide gaps on how to set objective criteria.

"The latest accord has clarified the need for foreign glass makers to make marketing and competition-enhancing efforts that are tailored to Japanese consumers' demand as well as import-promotion steps by Japan, in order to expand imports of foreign flat-glass in Japan," Hashimoto said.

Major steps to be taken by the U.S. Government under the latest accord include its supply of marketing information to U.S. glass makers, the conveyance of U.S. makers' demands to the Japanese Government and sponsoring of annual trade fairs in Japan for U.S. makers.

The proposed auctions for public projects as a way to promote the use of heat-resistant glass will involve construction of post offices, state-owned schools and national hospitals, all scheduled for fiscal 1995, MITI [Ministry of International Trade and Industry] said.

Other Japanese steps are abstract and vague rather than concrete measures seeking quick results—such as releasing a welcoming statement for diversification efforts by Japanese wholesalers and establishing a box for complaints by foreign makers.

A sticking point at the latest talks was how to set objective criteria to gauge the extent of the Japanese market's openness.

Japan and the U.S. were mainly apart during the talks on whether or not to count as foreign products those manufactured by Japanese makers operating overseas, said Masataka Sase, the chief Japanese 3 egotiator, who was just back from Washington.

Washington has demanded such products be excluded, a stance triggering Japanese criticism that this discriminates against Japanese companies.

Tokyo has claimed that foreign operations by Japanese makers are producing employment opportunities in the local country and thus their products should be regarded as imports when they are shipped to Japan.

"Japan will pay its respect to the good sense shown by the U.S. in the final stage," Hashimoto said, apparently referring to Washington's decision to drop the demand.

Japan and the U.S. agreed to hold annual consultations until 1999 as a means to evaluate the progress of measures reached Monday, MITI said.

They will create a mechanism to collect necessary data for the follow-up consultations, including hearings for wholesalers, general contractors and foreign glass makers, MITI said.

Quantitative objective criteria to evaluate the Japanese side's market-opening efforts are "a change" in the number of wholesalers and contractors handling foreign-made flat glass and "a change" in the number of Japanese consumers purchasing foreign products, MITI said.

Similar criteria to assess American efforts are "a change" in business trips to Japan by American makers and "a change" in the number of sales clerks at U.S. makers, MITI said.

Washington's decision to use the phrasing "a change" instead of "an increase" marks its compromise, Sase told reporters.

The agreement on using the neutral word is apparently designed to expel the concept of the so-called "numerical target," an idea Tokyo has rejected in the framework talks as leading to managed trade.

Qualitative criteria include Japan's efforts in promoting the use of heat-resistant glass, purchasing diversification by Japanese wholesalers and competitiveness of foreign products, MITI said.

Central Glass Co., one of the three major glass makers in Japan, said in a statement, "our company has been continuing to pursue free and fair competition in our business activity."

The Japanese Federation of Flat Glass Wholesaler Association said, "each distributor will continue to broaden the supply base of flat glass...based on the principle of nondiscrimination between domestic and foreign manufacturers for fair and equitable transactions...as long as the manufacturer is supplying products with the necessary quality at appropriate prices."

The Japanese glass market is dominated by the three major domestic makers which have formed exclusive sales contracts with most of Japan's 400 wholesalers, a situation prompting the U.S. claim that the Japanese market is closed.

MITI has countered the assertion, saying the import ratio of glass was 7.9 percent in Japan in 1993, higher than the 5.1 percent posted in the U.S.

Hashimoto on Resumption of Auto Talks

OW1212133494 Tokyo KYODO in English 1317 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—There is still no prospect of the stalled auto trade talks between Japan and the United States being resumed, International Trade and Industry Minister Ryutaro Hashimoto said Monday [12 December].

"We have been waiting for U.S. proposals on reopening the talks but they have yet to come," Hashimoto told reporters.

"The ball is in the U.S. court," he said.

Hashimoto and U.S. Trade Representative Mickey Kantor agreed during their November meeting in Jakarta to explore an appropriate time to resume auto talks at an early stage.

Tokyo has set four preconditions for reopening the talks, including rejection of "numerical targets" and exclusion of the government role in foreign auto parts-purchasing plans by Japanese carmakers.

Hashimoto has claimed repeatedly that gaps were not narrowed between the two countries on these conditions during the Jakarta meeting.

Tokyo and Washington have been deadlocked on better foreign access to Japan's auto and auto parts markets, part of the bilateral "framework" talks, since the beginning of October.

After the rupture of the October talks in Washington between Hashimoto and Kantor, the U.S. decided to launch an investigation into the trade area in line with Section 301 of the 1974 U.S. Trade Law. The Trade Law allows for retaliatory action.

Recently, a government source told KYODO NEWS SERVICE that Japan and the U.S. will resume the auto talks on Saturday, though a venue has yet to be set.

'Senior' Official's Comments Cited

OW0912130094 Tokyo KYODO in English 1251 GMT 9 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 9 KYODO—Japan and the U.S. will hold working-level talks on Dec. 17 on the resumption of bilateral framework negotiations in automotive trade, a senior government official said Friday [9 December].

Sozaburo Okamatsu, vice minister for international affairs at the Ministry of International Trade and Industry (MITI), and Jeffrey Garten, U.S. undersecretary of commerce for international trade, will discuss subjects and a schedule for talks, the official said in condition of anonymity.

The meeting place has not been decided, he said.

Ministerial-level negotiations will probably resume early next year, the anonymous official said.

Japan's basic posture toward the issue remains unchanged and it will first sound out the United States about its stance, he said.

Ministerial-level talks from late September to early October broke down because of wide disparity over Japanese automakers' voluntary purchasing plans of auto parts and abolition of part of the system requiring periodic safety checks on autos.

The U.S. later designated replacement auto parts for investigation under the Trade Act, Section 301, which governs retaliatory measures against unfair trade practice.

Infuriated at the U.S. move, Japan suspended negotiations.

U.S. Financial Talks; Future Concessions Noted

OW1012121294 Tokyo ASAHI SHIMBUN in Japanese 9 Dec 94 Morning Edition p 3

[FBIS Translated Text] On 8 December, it was disclosed that the Ministry of Finance [MOF] had offered deregulation plans for investment trust and pension fund management during Japan-U.S. economic framework talks on financial services. MOF's concessions were made in line with U.S. demands, and the U.S. Government reportedly exhibited a certain understanding of the Japanese offers. A deregulation settlement of public pension funds, the focal point of the financial services talks, is likely to be postponed until the next round of negotiations, but some Japanese negotiators have begun to seek possible concessions with the United States.

On the deregulation of investment trust operations, MOF proposed abolition of 1) a business separation between "investment counseling" for larger funds and "investment trust management" for individual customers, and 2) a ban on investment trust management companies' dealing with derivatives and private placement bonds.

In the United States, investment counseling and investment trust management are often handled by one company. To accelerate U.S. financial companies' inroads into the Japanese market, the U.S. Government has been urging Japan to abolish separation of the two operations, and to allow foreign companies' to operate in the derivative market.

Private companies are prohibited from managing their pension funds through investment counselor companies unless their pension funds become more than eight years old. As a deregulation measure, MOF proposed to make the eight-year period shorter.

On the other hand, management of public pension funds collected by the Pension Welfare Service Public Corporation is currently only permitted to trust banks and life insurance companies, and the United States is urging this field's deregulation. In response, however, MOF again refused the U.S. demand, noting "pension funds are not intended for risky management."

In line with the U.S. demand, the Health and Welfare Ministry has recently proposed freer management of pension funds in its FY95 budget request. Some quarters in MOF are also seeking a settlement of the financial services talks within this year to maintain favorable relations with the United States. Under such circumstances, speculators expect that some sort of concessions may be made by Japan at the next round of talks to be held later this month.

U.S. Apple Shipment Arrives at Narita Airport

OW1212114894 Tokyo KYODO in English 1121 GMT 12 Dec 94

[FBIS Transcribed Text] Narita, Japan, Dec. 12 KYODO—A small shipment of apples from the United States arrived here Monday [12 December] and underwent quarantine checks as a prelude to a major shipload scheduled to arrive in Japan early next month, quarantine officials said.

Forty kilograms of Red Delicious and 36 kilograms of Golden Delicious apples from an orchard in the west coast state of Washington are the first shipment to arrive since the Ministry of Agriculture, Forestry and Fisheries conditionally lifted its ban on imported apples in August, ministry officials said.

Under the ministry's conditions, the apples were harvested from orchards planted in a region free of disease and insects and were placed in low temperature sterilization for 55 days before being shipped to Japan, they said.

The selected areas are limited to Washington State and neighboring Oregon State.

Last week, Japan's Aomori Prefectural government citing ministry information said that an unknown quantity of U.S. apples will arrive in Japan on Jan. 3-5.

Aomori Prefecture is the nation's biggest apple producer and local apple growers have strongly protested over the Japanese Government's decision to allow U.S. apple imports.

Japan opened its apple market in 1971 but had banned imports from the U.S. to prevent transmission of plant diseases.

The U.S. is the second country to export apples to Japan, following a shipment from New Zealand this past summer.

U.S. To Increase Pressure To Open Foreign Markets

OW1012150694 Tokyo YOMIURI SHIMBUN in Japanese 3 Dec 94 Morning Edition p 6

[By Masaichi Nosaka]

[FBIS Translated Text] Washington, 1 December—The Clinton administration has been trying to establish trade order through its trade policies that focus on multinational, regional, and bilateral trade issues. Now that the World Trade Organization [WTO] is set to be inaugurated in January with U.S. participation, preparations have been completed to promote multilateral trade liberalization. While stimulating regional trade activities through the North American Free Trade Agreement (NAFTA), the United States also aims to foster its bilateral trade ties in an arena like the Japan-U.S. economic framework talks. These facts seem to indicate that the United States will tactfully use these three trade frameworks to build pressure to open foreign markets.

Meanwhile, the United States also plans to enact a bill next year to allow its withdrawal from the WTO if it finds unfavorable rulings against U.S. interests three times during WTO trade dispute arbitration. Some people are concerned that such an attitude will become a stumbling block for the WTO, which will be inaugurated with dispute arbitration being one of its major missions.

The U.S. Congress once strongly opposed the establishment of the International Trade Organization (ITO) under the Bretton Woods system, which finally forced the formation of GATT to act as a mediator. Compared to that, U.S. approval of the bills to implement the GATT accord could be considered tremendous progress. But its bills actually include protectionist clauses such as strengthening the Super 301 provision (which identifies nations engaging in unfair trade practice and imposes sanctions against them). Since these clauses run counter to the WTO rules that prohibit member nations from enacting unilateral sanctions, they may cause problems in the future.

Regarding its policy toward Japan, the United States intends to increase pressure to settle the auto and auto parts and flat glass negotiations—the pending issues from the Japan-U.S. framework talks. It is also expected that the United States will exploit multilateral, regional, and bilateral trade frameworks to demand many things from Japan, for instance, the early implementation of the tariff cuts that Japan promised during the Uruguay Round talks, and efforts to achieve the trade liberalization pledged at the Asia Pacific Economic Cooperation Conference (APEC).

SANKEI Comments on Bentsen's Resignation

OW1012080694 Tokyo SANKEI SHIMBUN in Japanese 7 Dec 94 Evening Edition p 2

[Article by correspondent Seiji Yajima]

[FBIS Translated Text] Washington, 6 Dec—President Clinton has received the resignation of Treasury Secretary Bentsen, but the resignation of the treasury secretary, who has many years of experience as a member of Congress and a close personal relationship with lawmakers on Capitol Hill will unquestionably deal a great blow to the Clinton administration in carrying out economic policies in the future. In particular, for the first time in 40 years the Republican Party will control both houses of Congress in January. The Clinton administration is expected to have difficulty dealing with Congress and Bentsen's resignation will have a great impact on the Clinton administration.

Explaining the reason for his resignation in his address on 6 December, Treasury Secretary Bentsen aid he was resolved to resign from Congress by the end of this year when his term expires while serving as chairman of the Senate Finance Committee before assuming the post of treasury secretary, but he assumed the post of treasury secretary during his term. He went on to state that he was resolved to resign as treasury secretary as he planned to quit Congress within this year and told the President of his desire to quit.

Fearing the loss of Treasury Secretary Bentsen, who has increased his weight in the Clinton administration as the most senior official and a leader of the economic team in the administration and who played a key role in dealing with Congress, President Clinton worked to dissuade him from resigning, but Bentsen's resolve to quit was firm. In the end, the President had to say in his address on 6 December, "I must accept his resignation with great regret."

Robert Rubin, an assistant (in charge of the National Economic Council) to the President, has been nominated to succeed Bentsen as treasury secretary. He will win Senate confirmation without any problem because Republican Senate Minority Leader Dole has spoken highly of Rubin as a "man of honesty and integrity."

While playing a role of coordinating affairs within the National Economic Council (NEC), Rubin has earned a reputation as a key player in shaping a consensus and a rare official capable of carrying through his views without making others turn against him.

The loss of Treasury Secretary Bentsen in front of a Republican- controlled Congress, which will unquestionably confront the Clinton administration over the tax system and economic policies, will deal a great blow to President Clinton. His departure may sap the morale of the Clinton administration.

Official on Rubin, Economic Stance

OW1212111194 Tokyo TOKYO SHIMBUN in Japanese 10 Dec 94 Morning Edition p 7

[By reporter Hironori Kiki]

[FBIS Translated Text] Japanese and U.S. negotiators have again failed to reach an agreement in their talks on financial services. However, they did extend negotiations for an extra day to exchange opinions aggressively. It is widely observed that this happened because "Japanese negotiators tried to shake things up a little in a bid to probe into the U.S. Government's new style of managing economic affairs, with Robert Rubin, who has been tentatively appointed as the new secretary of the treasury, playing the main role" (as stated by an international financial source).

The Japanese Government has tried to appear calm, saying that "there will not be any major changes in Japanese-U.S. economic relations for the time being" (as stated by Finance Minister Masayoshi Takemura) as a result of Rubin's succeeding former Treasury Secretary Lloyd Bentsen as the new secretary of the treasury. In reality, however, the government has been unable to gain clear insight into such changes in the political environment of the United States following the recent off-year elections. The conflict between the U.S. Government and Congress will have much bearing on U.S. economic policies.

In many quarters of the Japanese Government, Rubin has won high acclaim as "an expert economist who is good at getting things done while remaining behind the scenes" (as stated by a senior Finance Ministry official). Among other things, Rubin, while serving as a presidential advisor in charge of the National Economic Council (NEC), has given advice to U.S. President Bill Clinton regarding pump-priming strategies based on lowering long-term interest rates. Considering his past experience in the private sector as former joint chairman of the major U.S. securities dealer Goldman, Sachs, and Co., it is believed that Rubin strongly "advocates deregulation and free competition."

Therefore, regarding U.S. policy toward Japan in connection with the issues of handling exchange rates and liberalization of financial services, the Finance Ministry hopes there will be a shift from Bentsen's style of political bargaining to Rubin's "milder style which places emphasis on markets" (as stated by an international financial source).

However, the Democratic Party suffered a major loss in the recent off-year elections, and the Clinton administration's influence over Congress has diminished sharply. Under such circumstances, it cannot be ascertained whether Rubin will be able to carry through with his virtuous style of managing economic affairs in the manner that Japan desires.

Despite the Finance Ministry's desperate efforts at collecting information via the financial services talks, a pessimistic outlook is spreading through some quarters of the Japanese Government, indicating concerns that "the U.S. Government may take a tougher stance against Japan because it may find it more difficult to hold back Congress, which is under strong pressure from U.S. economic circles" (as stated by a senior official at the Ministry of International Trade and Industry).

Finance Ministry To Ease Investment Trust Rules

OW1212104394 Tokyo KYODO in English 0944 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—The Finance Ministry is to ease rules on investment trust firms and their portfolios in line with U.S. demands as part of Japan's investment trust reform package announced Monday [12 December].

The United States gave "high credit" to the measures presented by Japanese negotiators at a working-level session held last week on financial services under the Japan-U.S. "Framework" talks, Sohei Hidaka, head of the ministry's Securities Bureau, told reporters.

But the three-day talks ended without producing an agreement as many other items remained on the table, Hidaka said, apparently referring to the most thorny issue of wider access by foreign investment advisers to Japan's pension fund market.

After the talks, both Japanese and U.S. negotiators told reporters that some progress had been made, but they decided to meet again in a bid to reach a settlement by the end of the year.

Hidaka said the ministry will implement the reform package by the year-end, except for the new easier license standards on investment trust companies which will be officially decided in line with the outcome of the bilateral framework talks.

Under the package, the minimum capital limit for investment trust management companies would be lowered to 50 million yen from the current 300 million under the condition of net assets unlikely to fall below 50 million yen capital after operations begin.

The ministry will also lift the ban on investment trust management companies and investment advisers managing funds consigned by specific large-lot [words indistinct] enter each other's turf and to merge.

On fund management and portfolios, the ministry will scrap virtually all regulations under a "basically free principle," especially allowing investment trust firms in line with U.S. demand to engage further in advanced financial derivative products.

Movement in futures, options and other leveraged products now [words indistinct] to hedging purposes will be allowed for other objectives under an "appropriate" risk management of keeping such investment at up to 50 percent of overall net assets.

Mortgaged securities and other securitized products as well as derivatives including forward currency exchange and interest rate agreements [word indistinct] be allowed.

Hidaka said the six-point package is intended to enhance competition, lure investors back to the market and increase transparency in the investment trust business and administrative procedures.

The six points are: —ease investment regulations. —improve performance assessment, particularly by introducing monthly reports of comparative performance lists by the investment trusts association on new funds starting in January, and existing funds from fiscal 1995. At present, performances are disclosed only for percentage changes in the value of investment trust funds for the past year, between one and four times a year.

—disclose investment strategies, including asset allocations, risk exposures, commissions and transactions with related securities firms.

—add rules to prohibit such unfair transactions as loss-compensation and dubious trading with related brokerage houses.

—prepare written notices on rules for offering foreign investment funds in Japan, and allow Japanese concerns to sell in Japan their funds established in other countries on condition of offering one-half or more abroad.

—ease license standards on investment trust management companies.

Aside from the six measures, the ministry supports a proposal to introduce an investment fund linked to the Nikkei Stock Index of 300 selected issues with the fund's certificates to be listed on stock exchanges for trading.

The plan will be materialized only in or after fiscal 1995 because tax and other law revisions are necessary as opposed to the six measures which can be implemented through amendments in ministerial ordinances and notices.

Net assets of stock investment funds stood at 18.14 trillion yen as of the end of October, down from 45.55 trillion yen at the end of 1989 due to the market slump after the collapse of the "bubble" economy in the late 1980s, the ministry said.

As of the end of October, 861 investment funds have had their maturities extended because the value was below the subscription value.

Meanwhile, the ministry put aside for further discussion such issues as adoption of company-type investment funds common in the U.S. and privately offered funds.

MITI Denies Reported Steel Export Cartel

OW1212103494 Tokyo KYODO in English 0808 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—A senior Japanese trade ministry official Monday [12 December] denied a reported secret agreement between Japanese and European steelmakers to form an export cartel on the global market.

Hideaki Kumano, vice minister of international trade and industry, termed the alleged agreement, reported in the evening edition of the economic daily NIHON KEIZAI SHIMBUN on Saturday, as "groundless."

The newspaper said the U.S. trade representative office sent a letter to Japan's Ministry of International Trade and Industry (MITI) in August, asking for an investigation into the credibility of the claim of a secret cartel that was made by former U.S. Trade Representative Alan Wolff.

In a report presented to a conference of the Organization for Economic Cooperation and Development (OECD) in June, Wolff said Japanese and European steelmakers secretly formed a cartel in the first half of 1970 to set export prices, according to the newspaper.

The cartel was designed to divide export destinations into two areas on the globe, the paper said.

MITI's Kumano said the ministry acknowledged Wolff made such a claim at the OECD conference. "But the alleged export cartel is groundless," he said.

Kumano said Japan restricted steel exports to Europe during the 1970s and 1980s on a voluntary basis, but it had nothing to do with a cartel.

MITI will shortly notify the U.S. Government that Japanese steelmakers have not been involved in any export cartels in the past, Kumano said.

Kono on Japan-U.S.-PRC Economic, Political Issues

OW1212061794 Tokyo MAINICHI SHIMBUN in Japanese 10 Dec 94 Morning Edition p 12

[Keynote speech by Yohei Kono, deputy prime minister and foreign minister, to an international symposium entitled "Japan-U.S.-China Relations in the Future" held at the Nippon Press Center on 1 December]

[FBIS Translated Text] The end of the Cold War has put an end to the bipolar structure based on U.S.-USSR confrontation. At the same time, relations among Japan, the United States, and China have been of great significance in building a new international framework replacing the bipolar structure.

In today's international community, ethnic and religious conflicts and the issue of proliferation of weapons of mass destruction, which were confined in the bipolar structure, have come to the surface, affecting peace and stability in the whole international community.

In the economic field, problems in each nation such as poverty and unemployment are closely entangled due to deepening mutual dependence in the international community. Moreover, global issues such as environment and refugees have become serious.

To cope with these problems, we should not place the responsibility only on the United States. Moreover, the multipolar structure in which Japan, the United States, and China are keeping each other in check is not appropriate.

A new framework of the international community must be based on international cooperation. Japan, the United States, and China are major players in such a new framework.

I would like to cite especially important points in securing peace and prosperity in the Asia-Pacific region. The first is that it is extremely necessary to maintain the U.S. presence as a stable factor in this region. In that sense, we appreciate that the Clinton administration has indicated its policy of attaching importance to the Asia-Pacific region and has indicated its intention to maintain the U.S. forces in this region.

The second is that China is expected to play a nuch greater constructive role in this region. At the same time, the country is expected to increase transparency of policies and to decrease uncertainty.

The next point is to secure stability in Northeast Asia. Although the urgent task is to settle the issue of North Korea's suspected nuclear weapons development, it is also important to promote multilateral cooperation in securing stability in Northeast Asia for a long time.

Last, it is important to create unity within the Asia-Pacific region by promoting economic cooperation centered on the Asia-Pacific Economic Cooperation (APEC) forum as well as political and security dialogue at the ASEAN Regional Forum (ARF) and other venues.

I would like to point out the four important policy goals which require the cooperation of Japan, the United States, and China in tackling these tasks.

The first goal is to further strengthen Japan-U.S. relations. It is not too much to say that sound and stable Japan-U.S. relations are prerequisite to peace and prosperity in the Asia-Pacific region. Especially, the Japan-U.S. security arrangements have not only played an extremely important role in maintaining the U.S. presence in this region—the presence is a pivotal factor in stability in this region—but have remained important as the basis of mutual trust.

Economic issues between Japan and the United States should be settled in the form of contributing to development of the world economy as a whole. In negotiations under the Japan-U.S. economic framework talks at the end of September, I tried to conclude the negotiations in the form of further strengthening the multilateral free trade system.

I believe that in line with various efforts being made in the United States, such as reduction of fiscal deficits, Japan should also continue efforts such as economic management led by domestic demand and promotion of deregulation.

The second goal is for China to play a more constructive role in the Asia-Pacific region. To that end, steady promotion of China's reform and opening up policy is indispensable. Japan has positively supported China's efforts toward modernization through economic cooperation, and we are now working out details of the forth yen loan to China.

It is also necessary to further strengthen connections between the economy of China, which has a huge market, and the world economic system. In that sense, it is very significant that an agreement was reached at the recent informal APEC summit on the direction toward liberalization of trade and investment in the region.

While Japan intends to play a positive role in working out action plans for liberalization as the host nation of the next year's APEC meeting, we greatly expect China's constructive participation.

Moreover, it is extremely important that China will more positively participate in the Asia-Pacific dialogue in the political and security sphere. Although the ARF meeting held in July marked a good start to that end, the future task is to study concrete steps for cooperation.

The third goal is to cooperate in achieving security in Northeast Asia. In addition to close cooperation among Japan, the United States, and South Korea, it is necessary for China and other nations concerned to play a constructive role in solving the issue of North Korea's suspected nuclear weapons development, which is an urgent task. It is important that China has announced full support for the nuclear accord between the United States and North Korea. Furthermore, China is expected to play a positive role in implementing the accord.

If the Northeast Asian situation changes greatly to one based on dialogue, not confrontation, it will become more important that not only South Korea and North Korea but also Japan, the United States, China, and other nations concerned discuss long-term stability in Northeast Asia. From this point of view, I brought up this issue during the recent Japanese-Chinese foreign ministers' meeting in Indonesia.

The fourth policy goal is that Japan, the United States, and China cooperate in dealing with more wide-ranging issues. At the APEC meeting I spelled out the idea of "partners for progress," and proposed that all APEC members cooperate by making good use of their characteristics. We would like to cooperate with the United States and China in making this materialize.

In connection with expected economic development and expansion of energy consumption in this region, it is obvious that environmental problems will become major tasks which will have to be dealt with. Another important task is how to protect human rights as a universal value and achieve democracy in this region. I think that Japan, the United States, and China should each try to make progress on these tasks in a realistic manner by repeatedly holding dialogue among the three nations.

Government's Plans To Deal With WTO Described

OW1012125094 Tokyo MAINICHI SHIMBUN in Japanese 9 Dec 94 Morning Edition p 9

[Article by Economic News Department reporter Yoshiyuki Itsumi]

[FBIS Translated Text] The World Trade Organization [WTO], which can be viewed as a guardian angel for free trade, will be inaugurated without fail. Commenting on the inauguration of WTO, the Ministry of International Trade and Industry says, "As a nation that benefits the most from free trade, Japan must welcome its inauguration."

Nonetheless, WTO will do nothing for Japan if it keeps silent. It is important for Japan to study how to use trade rules of WTO. The United States, that has become the sole superpower in the post-Cold War world, is increasingly tilting towards protectionism and domestic policies. Japan will need to adopt an economic diplomacy aimed at speaking up against the United States and getting other nations, especially Asian nations, to side with it in the WTO. How adroitly "Japan can distances itself from the United States" will hold the key to its activities in WTO.

GATT, which is set to be transformed into WTO, presently has about 440 staff, and only one Japanese staff member from the Finance Ministry is working as a division chief in charge of economic analysis in GATT. Thus far, only four Japanese have worked for GATT. A majority of GATT staff are Europeans and Americans, and only 15 Asians are now working in GATT. In this way, the presence of Japanese personnel in the GATT Secretariat is insignificant.

Even if tricky bilateral trade issues between Japan and the United States are taken to the multilateral forum after WTO is inaugurated, they will not be resolved in a magical way. During the Diet's deliberation of WTO legislation, the Japanese Government has said, "If the United States slaps economic sanctions on Japan under the Super 301 provision, the U.S. action will violate the WTO accord that prohibits imposing any unilateral economic sanctions, and Japan will take its case to GATT." When the United States imposed economic sanctions on Japan over the semiconductor dispute in 1987, however, Japan did not have the courage to take its case to GATT, (says a government source). The common view held by officials in charge of trade affairs around the world is that "the forum of multilateral negotiations is to discuss ways to settle trade disputes that cannot be settled in bilateral negotiations."

Does Japan have officials capable of handling tough negotiations? Has Japan charted a global trade strategy? With the Cold War behind us, Japan's economic diplomacy, which has been conducted in hiding behind the United States, is being questioned.

Government Urged To Study Effects of WTO Pact

OW0912103094 Tokyo ASAHI SHIMBUN in Japanese 3 Dec 94 Morning Edition p 5

[Editorial: "The Government Should Discuss Questions Related to WTO Pact"]

[FBIS Translated Text] It is now likely that the trade pact on the establishment of the World Trade Organization (WTO), which would set new international trade rules, will take effect on 1 January. This is because the U.S. Senate has approved its bills to implement the trade pact, following the House of Representatives earlier approval.

The WTO pact represents various agreements reached in the Uruguay Round of multilateral trade talks held under the GATT. The pact sets rules for trade in not just goods, but in services and intellectual property as well, while creating the WTO as a body to implement rules and settle trade-related disputes.

The new pact will stimulate trade activities by rolling back the expansion of protectionism and trade blocs. For now, we welcome the approval of the pact by the U.S. Congress, which has tendency to be preoccupied only with domestic matters.

In Japan, the House of Representatives has approved the WTO pact and seven related bills. The House of Councillors will start deliberations on them soon. We hope that the pact will be ratified after questions on the pact raised by various quarters are addressed and policy measures are taken, if necessary.

Although very little has been reported in Japan, nongovernmental organizations of different nations have raised questions on the trade pact.

One of the questions concerns the safety of food. The new pact stipulates that standards on health and safety used by different countries should be unified as much as possible. It also says when stricter rules are adopted, they must be justified by "scientific reasons." International standards will be set by a joint international committee on food standards represented by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). The committee, which has many representatives from food makers, has a history of recommending very lax standards on the amount of residual agricultural chemicals allowed in food and food additives. This has made consumer groups and other distrustful of the committee. On top of that, it will be the committee that is authorized to judge what is "scientific" and what is not.

The government is required to find a correct answer to the concern that trade expansion may be promoted at the expense of consumers' health. The U.S. bills on the trade pact stipulates that, as far as matters on food are concerned, domestic laws take precedence over the trade pact.

When it comes to environmental issues, questions have been raised about one particular provision of the trade pact which says: "Member nations' measures aimed at protecting the health of people, animals and plants should be limited to their own nations."

Under this rule, member nations aiming to protect rain forests in foreign countries would not be allowed to take measures such as imposing heavy duties on timber on a case-by-case basis by making distinction between timber logged without any conservationist considerations and other timber cut in an environment where considerations to sustain timber resources are given. Such duties will be viewed as a trade barrier.

Furthermore, under the new trade pact, regulations or standards set by local governments or private organization might be considered as trade barriers. This has led people concerned to worry that the pact may restrict activities by local government or civic groups.

As cross-border trade increases, so does the need to unify trade rules. At the same time, it is also necessary to respect progressive initiatives by local governments or civic groups. The question is where the line should be drawn.

Speaking of the U.S. approval of the bills to implement the trade pact, lawmakers attached many provisions to the bills as a preconditions for the approval. They included, for instance, protectionist clauses to strengthen the antidumping law and the 301 Provision of the nation's Trade Act, which would adversely affect the WTO.

The Japanese Government has so far tended to emphasize only the merits of the trade pact for the sake of facilitating its ratification by the Diet. It has never raised questions on the U.S. bills attached to the pact.

However, the new trade pact would exercise a major influence on our lives through future trade activities. The government should take part in Diet deliberations on the pact, while disclosing all information related to the matter.

The Diet members, for their part, should not be interested only in the question of whether or not sufficient agriculture-related budget spending is secured. We want the government to take satisfactory measures in relation to the pact and discuss the entire pact from a broader perspective.

U.S. Responses to WTO Inaugration Observed

OW1012125594 Tokyo MAINICHI SHIMBUN in Japanese 9 Dec 94 Morning Edition p 9

[By correspondent Michio Shiota]

[FBIS Translated Text] Washington, 8 Dec—The inauguration of the World Trade Organization (WTO) will have a good effect on Japan-U.S. trade relations in the long run.

U.S. Trade Representative Kantor and Commerce Undersecretary Garten have indicated the prospect that a substantial portion of the trade disputes between Japan and the United States will be handled in WTO instead of in bilateral negotiations.

Returns of the recent midterm elections showed a growing "isolationism" in the United States. Although the Clinton administration is stressing that it will not change its policy of pursuing the free trade regime, U.S. trade policy will unquestionably confront confusion.

President Clinton set forth a three-stage trade strategy shortly after his administration was inaugurated and the strategy called for promoting the new multilateral trade negotiations (the Uruguay Round); 2) concluding the North American Free Trade Agreement [NAFTA], a regional free trade accord, and 3) strengthening bilateral trade negotiations, including the Japan-U.S. economic framework talks.

NAFTA is already in effect and the Japan-U.S. economic framework talks have passed a crucial point. With WTO set to be inaugurated early next year, the Clinton administration has achieved one of its goals.

Israeli Prime Minister Arrives for 3-Day Visit

OW1212064894 Tokyo KYODO in English 0627 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Israeli Prime Minister Yitzhaq Rabin arrived in Japan on Monday [12 December] for a three-day trip, the first by an Israeli premier, for talks with Japanese politicians and business leaders.

Rabin, who flew in from Oslo after attending a ceremony to receive the Nobel Peace Prize, will meet Prime Minister Tomiichi Murayama later in the day for the first Japan-Israel summit talks.

On Tuesday, Rabin, who also serves as defense minister, will meet Foreign Minister Yohei Kono, Defense Agency chief Tokuichiro Tamazawa and business leaders.

He is also scheduled to meet Finance Minister Masayoshi Takemura and International Trade and Industry Minister Ryutaro Hashimoto on Wednesday before flying to Seoul.

Japanese officials expressed hope that Rabin's visit will boost dialogue between the two countries and strengthen bilateral ties.

Japan has traditionally maintained a pro-Arab stance because of its heavy reliance on crude oil from Arab nations in the Middle East. But Tokyo has recently been seeking to strengthen ties with Israel in line with its support for the Middle East peace talks.

During Rabin's visit, Japan and Israel are expected to sign a treaty on science and technology cooperation and a cultural agreement, Foreign Ministry officials said.

Japan will pledge its commitment to continue to play a role in the Middle East peace process, while praising Rabin's efforts in the process, the officials said.

Israel and the Palestine Liberation Organization (PLO) signed an historic accord in September 1993 allowing Palestine self-rule in the Israeli-occupied Gaza Strip and the West Bank town of Jericho.

Following the signing of a peace treaty in October this year, Israel and Jordan established diplomatic ties in November to fully normalize relations after a 46-year state of belligerency.

Tokyo will also express its continued support for Palestinian self-rule in the Gaza Strip and the West Bank, but no fresh aid is expected from Japan, the officials said.

Japan has pledged a total of 200 million dollars over two years to support the Palestinian self-rule.

Other issues to be discussed between Murayama and Rabin include international affairs affecting Asia, Japan-Israel relations and trade and investment, the officials said.

Rabin told Japanese reporters in Jerusalem last week that he hopes to boost bilateral business relations with Japan.

Rabin, Murayama Sign Science Pact

OW1212095894 Tokyo KYODO in English 0843 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Israeli Prime Minister Yitzhak Rabin and Japanese Prime Minister Tomiichi Murayama signed a pact Monday to boost bilateral cooperation in the science and technology field.

Murayama and Rabin signed the treaty at the Akasaka Palace State Guesthouse following an hourlong meeting, the first summit talks ever between the leaders of the two countries, a Foreign Ministry official said.

Rabin flew into Tokyo earlier in the day from Oslo for a three-day visit, the first to Japan by an Israeli premier. Rabin, Foreign Minister Shim'on Peres and Palestine Liberation Organization leader Yasir 'Arafat received the Nobel Peace Prize in Oslo.

Under the treaty, Japan and Israel will set up a joint committee to study and discuss science and technology policies and give advice to the two governments, the official said.

The committee will meet every two years.

Also at the signing ceremony, Foreign Minister Yohei Kono and Israeli Ambassador to Japan Amos Ganor exchanged documents on cultural exchanges between Japan and Israel.

Rabin on Palestinian Issues

TA1212114594 Jerusalem Qol Yisra'el in Hebrew 1100 GMT 12 Dec 94

[FBIS Translated Text] Prime Minister Yitzhaq Rabin says Israel and the Palestinians are currently examining whether to enter negotiations on all the components of the interim arrangement now or whether a way will be find to bring forward the elections in the territories without the IDF's [Israel Defense Forces] withdrawing from the population centers. Our political correspondent Shlomo Raz reports that Prime Minister Rabin was speaking with correspondents accompanying him on his journey from Oslo to Tokyo. The prime minister added that there are some possibilities for compromise and that this is what the negotiations with the Palestinians will deal with. An agreement on this issue will be achieved in approximately two weeks. The prime minister also denied claims by Palestinian sources that there is a crisis in the talks between Israel and the PLO.

Mr. Rabin has arrived in Tokyo, where he signed a science and cultural cooperation agreement with Japan.

Meets With Murayama

OW1212115594 Tokyo KYODO in English 1140 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Israeli Prime Minister Yitzhaq Rabin and his Japanese counterpart Tomiichi Murayama, holding the first summit talks between the two countries, agreed Monday [12 December] to strengthen and broaden bilateral ties, Foreign Ministry officials said.

During a 70-minute meeting at the Akasaka Guest House, Murayama also vowed Japan's continued support for the Middle East peace process and for Palestinian self-rule in the Gaza Strip and the West Bank town of Jericho, they said.

At the outset of the meeting, Murayama congratulated the Israeli prime minister for receiving the Nobel Peace prize, saying without his leadership, there would never have been peace in the Middle East, the officials said.

Rabin, who flew in from Oslo earlier in the day for a three-day visit, told Murayama his trip to Japan as the first by an Israeli prime minister is meaningful because it comes at an important time in the Middle East process, they said.

He gave high marks to Japan's contributions in the process such as its initiatives in working group meetings under the multilateral negotiations and for providing 10 million dollars in aid to build housing for the Palestinian police.

While urging Japan's continued cooperation in promoting the peace process, Rabin cited efforts to abolish poverty in the region as an area in which it wants cooperation from the international community and Japan.

Rabin said poverty is the largest factor promoting terrorism, the officials said, and he cited the fight against terrorism as his biggest challenge in the peace process.

Murayama was quoted as replying that it is necessary for the international community to take a firm stance against terrorism.

On bilateral ties, Murayama told Rabin it is meaningful that the two countries have a dialogue because both aim to play active roles in the international community, the officials said.

Rabin cited the need to expand bilateral ties on various levels and fields, including economic and business sectors, the officials said.

He also invited Murayama to visit Israel, saying it is important to increase exchanges of leaders between the two countries.

Also as part of efforts to expand boost bilateral relations, the Israeli prime minister called for signing an aviation treaty between the two countries and also urged Japanese cooperation in Israel's export of agricultural products to Asia.

To Rabin's call for Japan's cooperation in building a dam in Jordan River, Murayama was quoted as replying Tokyo is ready to study the possibility of cooperation if concerned parties agree on the plan.

Following the summit meeting, the two leaders signed a pact to boost bilateral cooperation in the science and technology fields under which the two countries will set up a joint committee to study and discuss policies and give advice to the two governments.

The committee meeting is to be held every two years.

Foreign Minister Yohei Kono and Israeli Ambassador to Japan Amos Ganor also exchanged documents on cultural exchanges between Japan and Israel.

On Tuesday, Rabin, who also serves as defense minister, will meet Kono, Defense Agency chief Tokuichiro Tamazawa and business leaders. He is scheduled to meet Finance Minister Masayoshi Takemura and Trade Minister Ryutaro Hashimoto on Wednesday before flying to Seoul.

Kono Discusses Key Foreign Policy With Diplomats

OW1012135794 Tokyo YOMIURI SHIMBUN in Japanese 7 Dec 94 Evening Edition p 2

[FBIS Translated Text] The Foreign Ministry held a meeting of Japanese ambassadors in the Asian and Pacific region on the morning of 7 December. Foreign Minister Yohei Kono, in his instruction read by Vice Parliamentary Foreign Minister Hakuo Yanagisawa at the meeting, stated: "A direction is gradually surfacing of building a new post-Cold War framework." Kono, in his instruction, also pointed out that Japan's future foreign policy priorities will focus on: 1) Strengthening the function of the United Nations; 2) promoting multilateral cooperation especially with industrial democracies; 3) making tenacious efforts to resolve North-South issues and 4) promoting cooperation with regional organizations like the Asia-Pacific Economic Cooperation (APEC) forum. Referring to the Asian and Pacific region, Kono, in his instruction, stressed: "What is beneficial for Japan is to seek to strengthen cooperation with nations in the region in the political, security, and economic fields."

Bank of Tokyo Becomes Vietnam Debt Adviser

OW1212114994 Tokyo KYODO in English 1123 GMT 12 Dec 94

[FBIS Transcribed Text] Hanoi, Dec 12 KYODO—The Bank of Tokyo has been named to chair a new committee to advise Vietnam on the restructuring of its medium and long-term commercial bank debt, Vietnam's central state bank said in a statement Monday [12 December]. The statement said a bank advisory committee comprising the Bank of Tokyo and the Australia and New Zealand Banking Group (ANZ) has been established.

The Bank of Tokyo will chair the committee, which held its first meeting with Vietnamese representatives last week in Hanoi and is scheduled to hold its next on Jan. 9, the statement said.

"Representatives of all parties stated that their discussions had been constructive," the state bank said. A Japanese banking source said Vietnam's commercial bank debt is estimated at some 700 million dollars.

Murayama Holds News Conference on Diet Session

OW0912094894 Tokyo NHK General Television Network in Japanese 0500 GMT 9 Dec 94

[News conference by Prime Minister Tomiichi Murayama with unidentified domestic correspondents at the Prime Minister's Official Residence in Tokyo—live]

[FBIS Translated Text] [Murayama] Good day, hardworking reporters. The extraordinary Diet session finally ended today. I would like to ask you for your continuous cooperation.

[Unidentified official] The dean of the press corps will begin by asking a few questions.

[Dean of the Press Corps] As you just said, the Diet session ended today. This session dealt with many pending issues. Please tell us how you feel after successfully handling this long, full- fledged session. Moreover, it will soon be six months since you took over the government. Can you tell us how successful you have been in implementing the people-friendly politics you advocate.

[Murayama] This past Diet session dealt with a number of issues handed down from past sessions—specifically, political reform, tax reform, and an accord on establishing the World Trade Organization [WTO]; and, with the 50th anniversary of the end of the war approaching, the passage of the law on relief for atomic bomb victims. I think we have been able to basically resolve all these major issues. From now on, our job is to provide substance for this legislation, or to put the finishing touches on the work. We must continue to promote various reforms; we must work for great achievements in this endeavor to measure up to the people's expectations.

During the two-month extraordinary Diet session, deliberations were conducted smoothly and intensively, resulting in the solution of all pending issues. It was a fruitful session unseen in recent years. I would like to reiterate my gratitude to Diet members. In particular, the three ruling coalition parties, the Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger] worked in unity and built a solid framework for cooperation. I believe such efforts resulted in the further strengthening of a full-fledged, stable foundation for the coalition government. This was the result of each parties' overcoming their past differences, undergoing self-reform, and working in friendly competition. On such a basis, we can hope to maintain the administration's stability and establish politics that can give people peace of mind.

More than five months have elapsed since I became prime minister, and I think I have done my best in tackling various major issues that we are now facing both at home and abroad, while trying to seek measures to settle these issues one by one. In particular, utmost efforts have been made to promote—not merely in words but in steady actions—various reform tasks that have been assigned to this cabinet as an historical mission. I am determined to solve remaining tasks by sticking to the stance of fulfilling whatever has been promised, and, while looking forward to the 21st century, I would like to do my utmost to work together with our people to carry out future-oriented policies from now on. I will always keep in mind the saying that one should always be as naive as when one is a novice. In this way, I would like to run state affairs with a refreshed feeling.

[Correspondent] My next question is: Former Prime Minister Kaifu was elected as the first party head of the Shinshinto [New Frontier Party] yesterday, and the NFP will hold its inauguration ceremony tomorrow. What do you think about the birth of this new party? With its inauguration, the new party will constitute a major political force or a major opposition force. How do you plan to maintain relations with the new party or what type of relationship do you want to establish?

[Murayama] Well, it was reported that an election for the party head was held yesterday; Mr. Kaifu has become party head and the NFP will be inaugurated tomorrow. At present, the world as well as Japan is in an age of major changes. And I would like to express my sincerest congratulations on the inauguration of a new party at this juncture.

As for the NFP members who will hereby adopt the stance of an opposition party, I would like to continue sincere dialogue with them. And on the basis of running state affairs in a way as transparent and democratic as possible and with joint efforts, I would like to do my best to promote various reforms, including administrative reform, to pursue politics that can meet our people's expectations.

[Dean of Press Corps] I would like to ask you about the SDPJ's plan for forming a new party. Within the party, there is a move toward forming a new party as early as before next January's ordinary Diet session. Mr. Prime Minister, what is your schedule for transforming the SDPJ into a new party, and what do you think of the view that forming the new party will lead to instability within the Murayama government?

[Murayama] Well, I think that following the war, the role the SDPJ played as a political party protecting peace and democracy and particularly safeguarding the Constitution was very significant. However, as I stated during the extraordinary Diet session, the world and Japan are facing changing times. I think the party members are aware that the SDPJ has to change itself to carry out the party's role in materializing the SDPJ's policies and making a great contribution to the world in the new era while implementing the party's policies. I think the people also expect this from the party. Therefore, keeping the forthcoming 1995 Manifesto in mind, which is currently under discussion, the party should hold thorough discussions inside the party on how to form a new, hopeful party, a blend of efforts in putting liberal forces together. In this sense, we have to lead the party in taking a step forward. Discussions will probably be held on this matter at a party meeting of representatives of prefectural chapters scheduled for 18 December. Since I think most party members share the same view on this matter, it should not be taken from a factional viewpoint. The party leadership is resolved to make efforts to make the party one that can develop as one united party and meet the people's expectations. Rather than saying the government's foundation will be weakened, I think it will be further strengthened.

[Dean of Press Corps] By when?

[Murayama] It depends on the situation as well as on progress in intra-party discussion. I cannot give you a concrete schedule, and I hope that full discussions will be held on this matter.

[Dean of Press Corps] Next, I would like to ask about the budget's formulation, which will be the Murayama government's first budget-making work. Which areas do you want to place emphasis on in forming the budget to show the Murayama government's colors? And how do you plan on dealing with calls for increasing the bullet- train line construction's budget and agricultural measures as well as intra-SDPJ calls for more reductions in the defense budget?

[Murayama] The budget's formation is to begin soon. I think it is inevitable that it will be very tough work to compile the budget for the next fiscal year, reflecting the current economic conditions. When we look at our fiscal condition in particular, outstanding government securities have already exceeded Y200 trillion, and dependency on the government bonds or the ratio of interest payments are very high. Nevertheless, tax revenues decreased over the past three consecutive years from fiscal 1990 to 1993. Therefore, I have no choice but to say our financial difficulties have become more serious. Facing the budget's compilation with our current revenue sources, we have to conduct a thorough review of the expenditures, and after the review, we have to retrench the expenditures across-the-board as much as possible. Particularly, since my government holds up people-friendly politics policy, we will place more importance on ordinary people's lives while compiling the budget. It goes without saying that what I mean by people-friendly politics is to care about the people by being strict with the government itself. So, as I just mentioned, the government will retrench the expenditures as much as possible, and it is necessary to form a budget that can fully meet the needs of the new era from the ordinary people's standpoint. In this sense, as in budget appropriations for public works project for example, I want to deal with it seriously. As for the budget's details, I would rather not reveal them because the budget's compilation is to begin soon. However, as for the bullet-train line's construction, I am fully aware that there are strong nation-wide calls for its construction. But we have to reach a conclusion after the prospects for securing revenue sources and management feasibility are examined fully. For that reason, I would rather not reveal the plan's details.

On the issue of taking measures to help farmers, it was fully debated at the extraordinary Diet session. Keeping in mind the ruling-government's agreement reached in October on taking domestic measures to help farmers following the Uruguay Round agreement, we will seriously come to grips with the issue in hopes of seeking ways to tide over the difficult situation in the international community, stabilize Japan's agriculture, and promote agricultural policies that can stably supply safe food to the people.

As for the defense budget, fully taking into consideration the process of deciding on the [defense budget growth] ceiling last July, and the tight financial situation, we will deal with this appropriately in the process of reformulating the budget.

[Dean of the press corps] The next question is about administrative reform, including the review of special status corporations, which is a focus of reform. The interim report submitted recently gave us the impression that it is quite difficult to conduct a drastic review of special corporations. What steps do you plan take to promote the review of corporations having special status and how will you tackle overall administrative reform?

[Murayama] As I have often mentioned, administrative reform is the first priority task of the government.

Concerning the review of special status corporations, an interim report was submitted by each ministry and agency to the Management and Coordination Agency [MCA] on 25 November. However, at the present stage, those reports are just interim reports. We have to recheck moot points on the way each special corporation should be run, the propriety of their business, and the necessity of correcting their business activities. To promote such work from now on, the MCA director general has requested each ministry to thoroughly review the problems under the leadership of each minister. For my part, I asked each minister for review of the matter through cabinet meetings. On 10 February, I am to receive a report on the results of the review from each ministry, and I will have the chief cabinet secretary and the MCA director general keep in touch with each minister to review the problems with the aim of taking concrete steps to consolidate and rationalize such special status corporations. With this in mind, I ask for the cooperation of those concerned.

In another administrative reform area, we are planning to develop a five-year plan by the end of the current fiscal year to promote deregulations systematically. At the same time, we will positively tackle other administrative reform issues in all areas, including the promotion of decentralization of the government and public information on administrative affairs or organizations. In particular, the Administrative Reform Committee is to be disbanded, and with this in mind, I will come to grips with the issue under the unity of the cabinet members to reach a conclusion that meets the people's expectations.

[Dean of the press corps] No further questions by the dean of the press corps. All reporters may ask questions now.

[Correspondent] Mr. Prime Minister, my question is also about administrative reform. In the reports submitted by each ministry on 25 November, there was no statement touching on concrete plans to consolidate special status corporations. There is an opinion that it is quite difficult to carry out administrative reform because the bureaucrats take the lead in reform or, should I say, because of the bureaucrats' opposition. How do you deal with this?

[Murayama] The interim report, as I said earlier, is a report by each ministry indicating the current situation. I have asked ministers to take initiative in rechecking the reports prepared by their own ministries. As I said earlier, I will then ask each of the ministry's officials in charge of writing the reports to meet both the chief cabinet secretary and the MCA director general, and through such individual consultations, we will be able to finally conclude which special status corporations should be removed or consolidated.

[Correspondent] I would like to ask you about the formation of a new party, the amassing of new political forces. In concrete terms, what is your image of a new party? For example, there is the policies and ideas issue. Various groups such as New Party Sakigake [Harbinger], the Japan New Party, the Democratic Socialist Party [DSP], and Mr. Kaieda's [Banri Kaieda, leader of a parliamentary group] group have been mentioned as SDPJ partners. Moreover, there was an idea of forming a parliamentary group with Sakigake in the House of Representatives. Taking these issues into consideration, what image, in concrete terms, do you have of a new party? And, do you intend to hold a SDPJ party convention to disband the party in January?

[Murayama] I would like to take this opportunity to comment on the matter. As I repeatedly answered such questions during Diet committee sessions, the current electoral system will be revised to single-seat constituencies. Thereafter, elections will be held under the new electoral system. However, to reflect the people's intentions, whose senses of values are diversified, into politics, it is inappropriate at the present time to create a situation in which existing political parties would be forcibly compressed into two parties and the people would have to choose one of only two parties during elections. For this reason, I think at least three parties, which could be major axes, would be necessary, and I hope that a new party, which will be the amassing of democratic liberal forces, will become one of those axes. This is my image of a new party. Forming a new party by putting together existing parties is one option. However, I believe that many people want to join such a party [of democratic liberal forces]. In that sense, as I have often said, some scholars, intellectuals, and even entertainers may want to participate in such politics. We need to form an attractive party, which could include those people. I do not think the people will be charmed by a new party formed by existing political parties such as A, B, and C. Considering this image, I have reiterated that all SDPJ members need to cooperate with each other and to make efforts to form a newly-born, attractive party.

Forming a coalition administration is the trend of the times. There is no need to force existing parties to develop into one party. Parties with different policies should exist as different parties. They could establish a coalition administration with each other, make good use of each other's strong points, and come up with policies that can meet the public's expectations. I believe making such efforts is how politics ought to be like in the upcoming era. I hope that we will build a political force that can play a role to that end. Therefore, regarding the process of forming a new party, I think it is necessary to have thorough discussions on the matter within the party. Unified local elections will be held in April next year, and the House of Councillors election is scheduled for July. Taking these political events into account, we have to consider the proper schedule [for the new party's formation] from now on.

[Correspondent] I have two questions. You just mentioned elections. What do you think of a dissolution of the lower house under the new electoral system? Although there are calls within the LDP for a cabinet reshuffle, are you prepared to carry out a cabinet reshuffle before the ordinary Diet session begins?

[Murayama] I regard it as one of the opinions that now that the electoral system has been changed, we need to make a fresh start after seeking the public's verdict under the new electoral system. However, if an election is held under the current situation, what yardsticks can the people use to make a decision? Considering this, it is inappropriate [to hold an election] now. I think it is necessary to seek the voters' verdict after more details of each party's policies and their differences are revealed. Moreover, the government has major pending issues both at home and abroad, and it must deal with these issues. For this reason, a political vacuum is not favorable under the current situation. While the economy has at last taken a turn for the better, employment conditions remain serious. Taking such factors into account, I think the administration's stability is necessary and we have tasks to accomplish for the time being. Therefore, I have no intention of dissolving the lower house and holding general elections. As noted in recent opinion polls, the people expect the government, for the time being, to tackle pending issues. I think we must live up to their expectations. Since the whole cabinet is eager and determined to tackle various reforms, which were mentioned earlier, I have no intention of reshuffling the cabinet at present.

[Correspondent] Mr. Prime Minister, I would like to ask you about the coalition partners. When the LDP- SDPJ coalition was first forged, it was criticized as being a combination of oil and water because of the differing views on the Constitution. Under this situation, the SDPJ quickly made major changes in its policies, including its policy on the Self-Defense Forces. The LDP, however, still has yet to draw any conclusion on its own view of the Constitution, six months after the coalition government's formation. Mr. Prime Minister, what do you think of the LDP's attitude? How much progress has been made in reforming the LDP's thinking?

[Murayama] I believe that the Zokugiin's [a group of LDP parliamentarians who champion special interests] notorious influence over the FY95 budget's compilation has begun to wane. It is a matter of course for dietmen, as experts, to state their views on the way the budget should be compiled. I think dietmen affiliated with the LDP are refraining from exerting their notorious influences on the budget's compilation in favor of special interests. In that sense, I believe the LDP is changing itself. As for the LDP's view on the Constitution, as I said at the outset of this news conference, the political parties that formed the coalition government have their own histories and ideals. If the LDP held the same view as the SDPJ on the Constitution's interpretation, there would be no need for the two parties to remain different parties. The two parties cannot merge themselves into one because of their differing views on the Constitution's interpretation. If the two parties find areas of agreement on pending policies without reaching the point where they openly debate their views on the Constitution's interpretation, they can carry out those policies on the basis of the agreement while shoring up their coalition government. The two parties must make efforts to achieve that purpose. In the course of discussing ways to cooperate, the two parties will deepen their understanding of each other. I think that in a truly good atmosphere, all coalition partners are able to gather and hold discussions in a transparent and democratic way. The LDP and the SDPJ disagreed over how to handle the Atomic Bombing Victim Relief Law. Nonetheless, the two parties shared the feeling that the atomic bombing victims issue needed to be settled in one way or another before the 50th anniversary of the end of WWII. This feeling led the two parties to strike a deal. It was the first time the two parties stuck such a deal. I believe that if the two parties cooperate with each other while valuing this experience, this will lead them to further reform themselves.

[Correspondent] My question concerns the freedom of information. Mr. Prime Minister, you have stated that the government will make information concerning government affairs public. [words indistinct].

[Murayama] I believe that the government should work to make the information public as much as possible under the present system. I have stated this point in my answers to questions posed by dietmen during the Administrative Reform Promotion Committee's meetings. The committee is mandated to deliberate ways to make the information public. I intend to ask the committee to discuss ways to make information public on a national consensus while listening to the opinions of many people. I intend to work to promote the freedom of information while seeking to win the people's understanding. With that intention in mind, I have chosen some of the committee members from the private sector.

[Correspondent] It has been said that administrative reforms are more difficult than political reforms. If the administrative reforms are at the top of your cabinet's agenda, then they are an issue with which you must come to grips with, and with which you must resolve to stake your position as prime minister. If you fail to carry out the administrative reforms, you should take responsibility for the failure. Mr. Prime Minister, what are your comments?

[Murayama] As for administrative reforms, I believe interpretation of them differs widely, and I would like to sum up administrative reforms. One administrative reform is to relax regulations. The coalition government plans to draw up a five-year plan for the relaxation of regulations by the end of this year, and to promote it on a planned basis. As for special corporations, the coalition government plans to decide on how to streamline them by the end of this year. The coalition government is now working to that end. I have asked cabinet members to reassess the need to keep other organizations operating in addition to special corporations if and when they are found to be unnecessary and incompatible at the present time in the course of promoting administrative reform. I have also asked them to reassess not only special corporations, but the structure of the administration itself. Though I cannot say when I will finish the administrative reforms, I have asked cabinet members to make incessant efforts to promote them.

Freedom of information is among administrative reforms. I think of freedom of information as a major pillar of administrative reforms. I expect the Administrative Reform Promotion Committee to deliberate ways to promote freedom of information. The government will fully cooperate with the committee.

The decentralization of government is also among the administrative reforms. The Administrative Reform Promotion Committee has already set up a panel on promotion of the decentralization of government and it is mandated to map out a guideline for the promotion of decentralization. I have received a report from the Local Administrative Research Council, and at the same time, I have been listening to the opinions of organizations that cooperate with the government in promoting decentralization. I intend to submit legislation on promotion of government decentralization to the Diet when its ordinary session is convened, with the aim of enacting a basic law for that purpose. If the Diet sets up a committee, I will ask it to consider plans to promote decentralization in a concrete way. I am now working on decentralization with those plans in mind.

[Correspondent] Mr. Prime Minister, I would like to ask you about the disarmament issue, which you have often mentioned. Mr. Prime Minister, how are you going to specifically reflect your view of disarmament in the budget for fiscal 1995? The 50th anniversary of the end of World War II will be marked next year. As a nation that suffered atomic bomb attacks, what role does Japan intend to play in promoting nuclear disarmament?

[Murayama] As all of you know, the Japanese Government has proposed the eventual abolishment of all nuclear weapons and submitted a resolution on nuclear disarmament to the United Nations. This is the first time that the Japanese Government has submitted such a resolution. Although a few nations absented from voting, the resolution was adopted with majority support. All the nations of the world are moving toward disarmament. Japan, therefore, intends to clarify its position against nuclear weapons by all means. At the same time, I believe that for its part, Japan needs to promote disarmament on its own. The coalition government has decided to set a 9.0 percent ceiling on defense budget growth in 1995. The coalition government plans to draw an appropriate conclusion on defense budget growth in the course of compiling the budget for fiscal 1995, while taking into account the financial situation and global moves toward disarmament. The three ruling coalition parties have yet to discuss how to keep the defense budget from growing. Although I would like to refrain from spelling out the substance of the budget for fiscal 1995, which the coalition government will compile from now on, I intend to have the fiscal 1995 budget worked out in that way.

[Dean of the Press Corps] Mr. Prime Minister, I am chief of the press corps. I would like to conclude this news conference after one or two more questions from reporters.

[Correspondent] Mr. Prime Minister, I have heard you are enthusiastic about legislation for the relief of victims of mercury-caused diseases in addition to atomic bomb victims. Mr. Prime Minister, how are you going to deal with the relief of victims of mercury-caused diseases? The ruling coalition parties have revealed disagreements on handling the government's responsibility for victims of mercury-caused diseases. Mr. Prime Minister, I would like to ask your view.

[Murayama] I do not believe it is right for me to state my views because of consultations under way among the three ruling coalition parties. The ruling coalition parties have worked in different ways to resolve the issue of mercury-caused disease victims, and I do not believe they will reach agreement soon on resolving the issue. However, I think if they continue to discuss resolving the issue, they will find areas of agreement. Many years have passed since the diseases broke out and the victims are now very old. I believe the time is ripe to settle the issue, and it is long overdue. I strongly believe I will have to look for a way to resolve the issue by urging the three ruling coalition parties to strike a deal at the end of their discussions.

[Correspondent] Mr. Prime Minister, I would like to ask a question about internal moves within the SDPJ. It is widely said the SDPJ has changed greatly since the Murayama government was formed. Nonetheless, factional moves still take place within the SDPJ. Mr. Prime Minister, are you not concerned that moves by the New Democratic League might ultimately cause a setback for the Murayama government?

[Murayama] I am now holding a candid dialogue with all members of the SDPJ, without caring about their moves. As far as I know, there are no wide differences within the SDPJ. As I stated just a while ago, there are no differences within the SDPJ over the direction of moving forward and forming a new party. I do not believe the SDPJ will split.

[Dean of the Press Corps] The time is up and I would like to end this news conference.

[Murayama] Thank you very much.

Shinshinto Opens Inaugural Convention in Yokohama

OW1012060294 Tokyo KYODO in English 0533 GMT 10 Dec 94

[FBIS Transcribed Text] Yokohama, Dec. 10 KYODO—Japan's new opposition bloc, Shinshinto

(New Frontier Party), began its inaugural convention Saturday [10 December] as a major step toward its aim of wrenching power from the three-way coalition government of Prime Minister Tomiichi Murayama.

Headed by former Prime Minister Toshiki Kaifu, Shinshinto will be Japan's second biggest political party in terms of Diet strength after the Liberal Democratic Party (LDP), a key contingent in the governing alliance.

Kaifu was elected the first leader of Shinshinto Thursday while the powerful no.1 post of secretary general went to Ichiro Ozawa, the main architect and strategist of the unified opposition union.

At a session of the new party preparatory committee's general assembly just before the convention, three prominent opposition figures were selected as deputy leaders of the fresh party.

They are former prime minister Tsutomu Hata, who heads Shinseito, Democratic Socialist Party (DSP) Chairman Takashi Yonezawa and Komeishinto Chairman Koshiro Ishida. Their assumption was formally endorsed at the convention.

Kaifu, 63, has been elected Shinshinto leader, beating Hata and Yonezawa by a wide margin. He served as prime minister from 1989 to 1991 at the head of an LDP government.

The Shinshinto leader seceded from the LDP in June this year and lost a bid for the premiership to Murayama, who became Japan's first socialist prime minister in 47 years.

Kaifu said Friday he will press Murayama to dissolve the House of Representatives for a snap general election with an eye to snatching the reins of government from the tripartite coalition.

Shinshinto consists of 215 Diet members from nine noncommunist opposition forces, including Shinseito, Komeishinto, former prime minister Morihiro Hosokawa's Japan New Party and the DSP.

Shinshinto President Discusses Party Policies

OW1212150794 Tokyo Asahi Newstar Television Network in Japanese 1130 GMT 11 Dec 94

[FBIS Editorial Report] Tokyo Asahi Newstar Television Network in Japanese at 1130 GMT on 11 December, in its regular "Sunday Project" program, carries a 23-minute live interview with Toshiki Kaifu, newly-elected New Frontier Party (NFP) president. While political commentator Soichiro Tahara acts as moderator, international politics analyst Yoichi Masuzoe and INSIDER magazine chief editor Hajime Takano join him in asking questions.

Tahara begins the interview by referring to previous Kaifu comments that the party leadership should be decided through negotiations because an election would cause a crack in the foundation of the NFP. Then he asks: "Did the election cause a split in the NFP?" Kaifu says that "we will make utmost efforts not to cause any division" and stresses the importance of interparty cooperation to maintain unity.

Commenting on Secretary General Ichiro Ozawa, another key person in the NFP, Kaifu says that the news agencies' biases toward the Kaifu-Ozawa leadership is creating negative images of the NFP, and adds that he will continue his efforts to dispel such images.

Asked about what makes the NFP different from the Liberal Democratic Party (LDP), Kaifu asserts: "The LDP formed a coalition with the Social Democratic Party of Japan (SDPJ) even through they have nothing in common in their respective political stances. We will never use such a strategy."

Tahara asks: "What do you think is wrong with the current administration?" Kaifu replies that the government is not making any progress in reform and says: "They are content with the status quo."

Responding to comments by Masuzoe that there are not many differences among existing political parties, including the NFP, Kaifu explains that it is necessary to establish parliamentary democracy to promote political reform, and that the NFP was formed to carry out that mission.

Tahara and Kaifu begin to a series of questions and answers on wide-ranging issues concerning NFP policies. Tahara first asks: "Is the NFP conservative, reformist, or liberal?" Kaifu replies that the NFP is revolutionist.

When asked about his views on the Constitution, Kaifu replies that there is no need to revise the Constitution at this time.

Tahara then asks what Kaifu thinks of the Self-Defense Forces' (SDF) participation in the Peacekeeping Forces (PKF). Kaifu says: "I will agree to lift a ban on participation if SDF activities are within the bounds of the five principles of PKF participation."

Regarding the plan for a consumption tax hike, Kaifu says that the tax hike may be necessary depending on changes in the social welfare system in the future.

"Is the NFP attempting to form a small government or a large government?" Kaifu replies: "Basically, we are trying to form a small government. This means that we will not waste tax revenues." Continuing, he says that the NFP aims to establish efficiency in government.

Regarding future elections, Kaifu comments that the NFP would like to hold a majority in the Diet to fulfill its campaign pledges.

Refuting panelists' criticism that the NFP is vague in its political stance, Kaifu stresses: "Next year we will set up a committee to prepare for a shift in political power. You keep speaking of us as a shadow cabinet, but we do not intend to become a shadow. We want to form a cabinet for tomorrow and begin discussions on various matters in that context."

In conclusion, Kaifu says: "I would like to have direct discussions with Prime Minister Tomiichi Murayama on various issues that concern our people—for instance, educational reform and the improvement of women's social status."

Shinshinto Planning To Form 'Tomorrow Cabinet'

OW1112145894

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0003 GMT on 11 December, in its regularly scheduled "Nichiyo Toron (Sunday Discussion)" program, carries a 37-minute live interview with Toshiki Kaifu, newly elected head of Shinshinto (New Frontier Party). NHK commentator Takashi Yamamoto is the program moderator. Tokyo University Professor Takeshi Sasaki is the guest interviewer.

Kaifu criticizes the ruling coalition as a collusion between the Liberal Democratic Party (LDP) and the Social Democratic Party of Japan (SDPJ). Kaifu says: "The Murayama administration formed by the LDP and the SDPJ apparently goes against the rules of parliamentary democracy. The two parties' stances are just like water and oil, and, under such circumstances, the administration cannot appropriately carry out political reform."

Kaifu then stresses Shinshinto's strong desire to win Japan's administrative power, saying: "We cannot realize our policies unless we win power. We are going to make constructive proposals to the coalition government. If they are not accepted, we will have to win power through an election."

When asked about the Shinshinto decisionmaking mechanism, Kaifu says: "The secretary general is in charge of party administrative work because the party president cannot oversee everything. The party has a standing executive committee participated in by the president, the vice presidents, and the party executives led by the secretary general." Referring to tangible action plans, Kaifu discloses Shinseito's plan to form a "tomorrow cabinet," or a shadow cabinet, to confront the ruling coalition. He states: "Shinshinto is considering forming a mechanism called a tomorrow cabinet. We will prepare an internal committee on preparation for a power change. We have to formulate definite policy proposals, and to urge the coalition to step down when they refuse our proposals. We must be ready for such actions." He adds he would like to carry on policy debates with Prime Minister Tomiichi Murayama at the lower house budget committee.

In reply to a question on Japan's participation in UN peacekeeping forces, Kaifu says Japan should seek nonmilitary roles in the United Nations. He shows a positive stance toward Japan's participation in the UN Security Council as a permanent member, noting the need for a stronger voice for Japan in the United Nations to introduce such new systems as weapons trade registration. He notes Japan's economic power should also be utilized to maintain international peace, saying: "The government is offering economic aid upon public approval, and we should reconsider aid to nations that carry on unclear weapons transactions and military power. To prevent concentration of military power in specific regions is necessary as a preventive measure. This is much better than having power to confront another power."

Touching on Shinseito's election strategy, Kaifu says: "We are seeking an image of a party participated in by all the people. The basic principle of democracy is politics should give consideration for every member of society. In the party platform announced yesterday, we attached importance to positions of all consumers, producers, and workers."

Shinshinto To Carry Out 'Ceaseless Reform'

OW1012074094 Tokyo KYODO in English 0727 GMT 10 Dec 94

[FBIS Transcribed Text] Yokohama, Dec. 10 KYODO—Japan's major noncommunist opposition forces melded into a single gigantic bloc Saturday [10 December] vowing to carry out "ceaseless reform" and "responsible politics."

At its inaugural convention in this port city of Yokohama, Shinshinto (New Frontier Party) set sail for the rough political seas as the nation's second largest political party with a grand choral of Ludwig van Beethoven's Ninth Symphony.

"Upholding the ideals of freedom, fairness, friendship and working together, we have united with comrades sharing a common purpose resolved to carry out ceaseless reform and a politics of responsibility," said the inaugural declaration of Shinshinto.

"Our ship sets sail on a voyage that we hope later generations will refer to as 'the third opening of Japan'," the paper declared.

With its formal inauguration, Shinshinto moved a step closer to its aim of wrenching power from the tripartite coalition government of Prime Minister Tomiichi Murayama, a once-unimaginable conservative-socialist union.

Headed by former Prime Minister Toshiki Kaifu, Shinshinto became Japan's second largest political party in the Diet after the conservative Liberal Democratic Party (LDP), a key contingent in the governing alliance.

Kaifu was elected Thursday the first leader of Shinshinto while the powerful No. 2 post of secretary general went to Ichiro Ozawa, the main architect and strategist of the unified opposition union.

Kaifu, who defeated former Prime Minister Tsutomu Hata and Democratic Socialist Party (DSP) Chairman Takashi Yonezawa by a wide margin in a three-way race, served as prime minister from 1989 to 1991 at the head of an LDP government.

He broke away from the LDP in June this year and lost a bid for the premiership to Murayama, who became Japan's first socialist premier in 47 years.

"I renew my determination to move forward for the future of Shinshinto while trying to carry out politics of the type where citizens participate," Kaifu said in his address.

"This is our start. Let's work hard together," he said.

Meanwhile, Ozawa said, "I am a little bit doubtful that I can live up to everyone's expectations, but I am resolved to do my utmost to follow the guidance of the party chief and maintain the party's harmony and unity."

At the inaugural convention, the assumption of three prominent opposition figures as deputy leaders of the fresh party was formally endorsed.

They are former Prime Minister Hata, who heads Shinseito, DSP head Yonezawa and Komeishinto Chairman Koshiro Ishida.

The parley also formalized the selection of DSP Secretary General Kansei Nakano and Komeishinto Secretary General Yuichi Ichikawa as chairmen of Shinshinto's Policy and Diet Affairs Boards, respectively.

Kaifu said Friday he will press Murayama to dissolve the House of Representatives for a snap general election with an eye to snatching the reins of government from the tripartite coalition.

Shinshinto consists of 215 Diet members from nine noncommunist opposition forces, including Shinseito, Komeishinto, former Prime Minister Morihiro Hosokawa's Japan New Party and the DSP.

Murayama, Igarashi View Election of Kaifu

OW1112064594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Dec 94 Morning Edition p 2

[FBIS Translated Text] On the night of 8 December, Prime Minister Tomiichi Murayama commented on former Premier Toshiki Kaifu being elected the first president of Shinshinto [New Frontier Party]. He said: "He was elected by vote, so the result is acceptable. I hope he will work hard for the sake of the nation. It was a surprise (that Kaifu won the race for the presidency by a wide margin)." With the election of Kaifu as its head, Shinshinto is now led by the Kaifu-Ichiro Ozawa team, the same partnership that led the Liberal Democratic Party [LDP] when Kaifu was LDP president and Ozawa was LDP secretary general. Commenting on this, Murayama said: "It is acceptable because the leadership is what they have decided on through thorough arguments." He made the remarks in a news conference at his official residence.

On the same night, Chief Cabinet Secretary Kozo Igarashi also told reporters at the prime minister's official residence, "With the inauguration of the Kaifu-led Shinshinto serving as momentum, the Murayama government will be urged to further motivate itself and consolidate the structure of the ruling coalition." He then predicted: 1) Shinshinto will form a pole in a political realignment; the ruling coalition will form another or a third pole; and 2) next year marks the 50th anniversary of the end of World War II, and it will also be the year of drastic political realignment.

Cabinet Members Criticize Shinshinto Leadership

OW1012132594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Dec 94 Evening Edition p 3

[Unattributed Report]

[FBIS Translated Text] In a 9 December press conference following a cabinet meeting, cabinet ministers criticized and expressed concern over the newly inaugurated leadership of the New Frontier Party [Shinshinto] led by President Toshiki Kaifu and Secretary General Ichiro Ozawa.

Transportation Minister Shizuka Kamei noted the Shinshinto leadership is exactly the same with the "Kaifu-Ozawa" leadership of the Liberal Democratic Party [LDP] under the former Kaifu Administration, and severely criticized Kaifu: "Unlike its name, the Shinshinto is just like the LDP in the worst period. I do not believe the party can respond to public expectations as long as it is led by someone who suddenly joined the confronting team, even without policy debates."

Home Affairs Minister Hiromu Nonaka also said: "It reminds me of the nightmare of 1989. Since mutual trust among party leaders is very important in political circles, I feel sorry about such behavior by former partners."

Construction Minister Koken Nosaka of the Social Democratic Party of Japan said: "The party is nothing more than a second LDP. There is nothing new in the party, and the public is unlikely to place great expectations on it." In addition, Nosaka noted that Shinshinto is likely to be run by the informal power structure led by Ozawa, rather than Kaifu as the formal leader.

"Taking into account Mr. Kaifu's leadership and party management capability when he was serving as the prime minister, it is questionable if he is really a good leader for the new party."

Shinshinto Election Voting Patterns Examined

OW1012104294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Dec 94 Morning Edition p 3

[FBIS Translated Text] During the 8 December election for the Mhinshinto [New Frontier Party] head, Toshiki

Kaifu obtained 131 votes, Tsutomu Hata received 52 votes, and Takashi Yonezawa garnered 31 votes. The election was conducted through secret ballots by dietmen planning to join the Shinshinto casting. It is unclear who voted for whom. However, the number of votes each candidate obtained indicates that Shinseito [Japan Renewal Party] was divided into two groups over the election and one group cast votes for Kaifu.

Two hundred and sixteen dietmen were eligible to vote. They consisted of those who made known their intention to participate in Shinshinto by 3 PM on the eve of the election. Of them, 214 cast their votes.

It is obvious that most votes garnered by Kaifu came from Jiyu-Kaikaku-Rengo (with 16 votes) and Komeishinto (with 64 votes). Komeishinto had announced its support for Kaifu. Jiyu-Kaikaku-Rengo members Takashi Sasagawa and Masamitsu Oishi are believed to have voted for Hata because they were on the list of Hata supporters. Also, a senior Komeishinto official speculates that "less than five or six Komeishinto members cast votes for Hata." In view of this, it is certain that Kaifu obtained at least 70 votes from these two groups.

It appears that Kaifu received the other 60 votes from Shinseito and the Japan New Party [JNP]. A senior JNP official said: "I believe there are six JNP members who voted for Hata, and three who voted for Yonezawa because they were listed as Yonezawa supporters." His remark indicates that of 28 JNP members, at most, 19 voted for Kaifu. According to this calculation, about 40 votes should have come from Shinseito with 74 votes. A member of the new party preparatory committee said: "I heard 37 Shinseito members cast their votes for Kaifu and 35 for Hata. If this is true, the party was divided into two groups over the election." His remark endorses our count.

In a normal situation, all Shinseito members should have voted for Hata because he is the head of the party. However, there was furious confrontation between Ichiro Ozawa, who sought party consent for a "plan to support Kaifu as Shinshinto head and Ozawa as secretary general," and a group led by Hata and Keiwa Okuda, a Shinseito adviser, which called for Hata's candidacy for the new party's head. The confrontation divided Shinseito into two groups. Keisuke Nakanishi, Toshihiro Nikai, and other members of a group supporting Ozawa conducted an open campaign for Kaifu.

Hata was recommended by 23 Shinseito members as candidate for Shinshinto head. If Shinseito votes were shared half and half between Hata and Kaifu, it would mean that Hata was prevented by the group supporting Ozawa from securing enough votes from his own party. Hata is believed to have garnered only 15 votes from other parties: Thirteen people belonging to other parties had recommended Hata as candidate for Shinshinto head. Although many junior members of each party are said to be "Hata sympathizers," not many of them voted for Hata. This is because senior officials from each party, including JNP representative Morihiro Hosokawa, pressed them to support Kaifu.

A JNP dietman complained: "I want to vote for Hata. However, there is a rumor that although the election is being conducted through secret voting, our handwriting on the ballots could be identified." This "tacit pressure," which is related to the selection of candidates to run in single-seat constituencies in future House of Representatives elections, appears to have affected junior members' voting.

Meanwhile, Yonezawa achieved his goal of strengthening his party's unity, as he certainly won votes from the Democratic Socialist Party with 25 votes, which he heads, and from those who belong to other parties.

KYODO Comments on Shinshinto Leadership

OW1012103994 Tokyo KYODO in English 1025 GMT 10 Dec 94

[FBIS Transcribed Excerpt] Yokohama, Dec. 10 KYODO—Japan's new grand opposition party set sail for the turbulent political seas Saturday [10 December] with the aim of wresting the reins of government and carrying out "ceaseless reform" and "responsible politics."

Shinshinto (New Frontier Party), the result of a merger of all nine noncommunist opposition forces, emerged as the nation's second largest party after the conservative Liberal Democratic Party (LDP), a pivotal partner in the three-way coalition government of Prime Minister Tomiichi Murayama.

With former Prime Minister Toshiki Kaifu at its head, Shinshinto vowed efforts in its inaugural declaration to revamp the nation in line with its ideals of "freedom, fairness, friendship and working together."

"We are saying we will pursue reform instead of adhering to the status quo," Kaifu told a news conference after the inaugural convention.

"Since the formation of the Murayama administration...There have been no reform efforts," he said, criticizing the allegedly slow pace of achieving national reforms.

Asked how Shinshinto will push for reform as an opposition party, he replied the newly unified force will continue trying to put forward specific policy proposals associated primarily with the public welfare.

Kaifu was elected Thursday as the first head of Shinshinto, while the powerful No. 2 post of secretary general fell into the hands of Ichiro Ozawa, the master architect and strategist of the unified opposition alliance.

In a three-way race for the top Shinshinto post on Thursday, Kaifu, who was prime minister from 1989 to 1991 at the head of an LDP government, trounced former Prime Minister Tsutomu Hata of Shinseito and

Democratic Socialist Party (DSP) Chairman Takashi Yonezawa. [passage omitted]

Although the key party posts were distributed to major founding forces according to the principle of power-sharing, unity is expected to haunt the fresh opposition party, because Hata and Ozawa, long-time close allies, are widely believed to have deepened their distrust of each other.

In the process of picking the party leader, Ozawa was a shoo-in from the beginning for the post of secretary general, second in command, reflecting high expectations among Shinshinto legislators for his electioneering ability, including the collection of campaign funds.

There was also a mood within the bloc that the party leader and the secretary general should not come from a same founding group, making it difficult for Hata to become the chief.

Nevertheless, a group of lawmakers opposed to Ozawa's allegedly strong-armed political approach and proclivity toward secretive backroom maneuverings pitted Hata as a candidate for the top party post against Kaifu and Yonezawa.

This sparked a fierce dispute among Shinshinto legislators. Hata's humiliating defeat in the party post election, however, is widely believed to have put the anti-Ozawa group on the spot, though Hata agreed to accept the deputy party leader post.

The combination of Kaifu and Ozawa is also the target of criticism from within Shinshinto, as well as from the governing camp, because Ozawa wielded enormous political clout as LDP secretary general when Kaifu was prime minister.

Questioned on how to wipe away allegations that the two men's presence in Shinshinto's leadership is a "dual power structure," Kaifu said the situation is totally different from what it was when he and Ozawa were at the center of power under the LDP. [passage omitted]

LDP Wants Policy Debate With Shinshinto in Diet

OW1012125694 Tokyo KYODO in English 1230 GMT 10 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 10 KYODO—The Liberal Democratic Party (LDP), the biggest party and part of the three-party ruling coalition, hoped Saturday [10 December] it will hold debates on concrete polices with the newly inaugurated opposition party Shinshinto (New Frontier Party) in the Diet.

The LDP's No. 2 man, Secretary General Yoshiro Mori, said in a statement, "The LDP hopes to compete with Shinshinto to upgrade the quality of the Japanese parliamentary politics."

Mori hoped each of the two parties will present concrete policies for debates at the next ordinary Diet session to be convened in late January.

The Social Democratic Party (SDP), the LDP's coalition ally, expressed hope in a statement under the name of the party's No. 2 man Wataru Kubo that Shinshinto will act as a new reform party for political realignment befitting the coalition era.

New Party Sakigake, a small bloc in the ruling coalition, said in a statement it will watch how Shinshinto puts its own political principles and basic policies into concrete action.

The Japanese Communist Party (JCP) downplayed the new unified opposition party in a statement by Chief of the Secretariat Kazuo Shii, saying Shinshinto merely reflects the situation that the LDP was divided into the two blocs, one of which absorbed the SDP and the other merged Komeito and the Democratic Socialist Party.

The JCP is the only opposition party not to have joined Shinshinto.

Shinshinto was formally inaugurated Saturday rallying noncommunist opposition forces to wrestle power from the current coalition.

* LDP Policy Research Council Seeks New Role

952B0040A Tokyo FORESIGHT in Japanese Oct 94 pp 106-109

[Article by FORESIGHT reporters: "LDP Policy Research Council"]

[FBIS Translated Text] *The Liberal Democratic Party [LDP] Policy Research Council was once called the "behind-the-scenes government" and reigned over the "political, bureaucratic, and financial worlds" as the LDP policy agency. The question is whether it will be able to find a new direction as it faces a decline in its "political power."*

For about a year beginning in the summer of 1993, the LDP was positioned as an "opposition party" for the first time since its establishment. Reportedly, the downfall from sole ruling party to opposition party is graphically played out in the mornings at LDP headquarters.

The LDP headquarters is located near the Diet building. During its days as the sole ruling party, the headquarters was always brimming with activity. The reason is that every morning the conference room on the seventh floor as well as other locations in the building served as the venue for subcommittees of the Policy Research Council to meet on diplomacy, social issues, agriculture, and commerce and industry. Of special note was that during Diet sessions, the subcommittees met at breakfast meetings starting at 0800, because Diet sessions began at 1000. The respective subcommittees prided themselves in a fairly substantial attendance rate because decisions by the subcommittees would be reflected in government policies, and subcommittee sessions served as an ideal training ground for junior politicians. However, the attendance rate dropped sharply during the year that the LDP existed as an opposition party.

The breakfast menu changed. In response to a party-wide policy to "cut expenses by 20 percent," the breakfast budget was reduced from 1,500 yen to 1,200 yen. The menu in the past called for hot rice, soup, food served in a bowl, fish, seaweed, and eggs, but the call for cost cuts, including personnel cuts, resulted in a decision to serve a cold lunch as a substitute. This is a case where LDP Diet members are being treated shabbily.

The lunch format was the target of unfavorable comments and hot rice in a large bowl was soon reinstated, but during LDP days as an opposition party, it is said that it was difficult for subcommittee meeting attendance to return to its former levels.

Subsequently, now that the LDP has regained status as a ruling party, subcommittee meetings are gradually enjoying increased attendance. However, the LDP is merely one of the three ruling parties and the Policy Research Council has no choice but to face a change in its status.

The future direction of the LDP Policy Research Council, which once reigned over the political, bureaucratic, and financial triangle, is currently being questioned and should serve as a critical test of the recovery of politics.

"Consummate System" Premised on a Long-Term Single Ruling Party

The flip side of the situation, that "LDP Diet member interest in the Policy Research Council has declined since the LDP became an opposition party," indicates the LDP Policy Research Council is an "organ that can exercise authority only when it is the ruling party." When the Policy Research Council is reexamined from that perspective, it becomes very obvious that the Policy Research Council, "as an agency of a sole ruling party under the parliamentary cabinet system" was a "consummate" system.

The Policy Research Council is composed of subcommittees, research committees, and special committees, and the nucleus of its activities is based on 17 subcommittees established to coordinate matters with the various ministries and agencies. Each LDP Diet member sits on several subcommittees; the larger subcommittees, with around 100 members, include the Construction, Commerce and Industry, Telecommunications, Traffic, Agriculture, and Social Affairs Subcommittees. The subcommittees function as forums for debating party policy, and agenda items are submitted to the Policy Deliberation Council of the Policy Research Council and the party Executive Council.

On the other hand, research committees "are assigned matters that cross more than one specialty and cannot be handled by the specialized subcommittees," while the special committees handle "individual minor matters." Well-known research committees include the Administrative and Fiscal Research Committee, Tax System Research Committee, Constitution Research Committee, General Agricultural Policy Research Committee, and Annuity System Research Committee.

Of the two organizational elements, the research committees rank higher than the subcommittees. The research committees are chaired by prominent Diet members, while subcommittee chairmen are appointed from among junior Diet members. Subcommittees devote themselves primarily to serving as a routine conduit to the various ministries and agencies and a forum for Diet members to research policy matters. Ministry and agency bureau chiefs, accompanied by councilors and department heads, explain draft legislation during subcommittee sessions. The sessions include both question-and-answer sessions as well as active debate.

This organizational composition reveals that the Policy Research Council, during the single ruling party days, functioned as a kind of "diet within the Diet." It is a system wherein draft legislation is discussed between the government and the LDP before it is submitted to the Diet.

Further, the Policy Research Council stood between the "bureaucracy" and "industry" and played the role of "an agency for the coordination of interests." That fact was plainly reflected in the Tax System Research Committee.

When the LDP was the sole ruling party, until 1992, the Tax System Research Committee, before the compilation of the budget in the fall of each year, prepared a document called the "telephone directory" which reflected items to be discussed in relation to policy tax reductions. The list considered requests from various industrial organizations, reflected individual items subject to actions such as a hike in tax exemption limits, and was used to discuss such changes with the Ministry of Finance [MOF]. The significance of the LDP Tax System Research Council was enhanced by its role in coordinating interests at a variety of levels, such as among industry, between industry and the government, and between the various ministries and agencies and the MOF.

"When the LDP was born in 1955, the budget was 1 trillion yen. It now stands at 76 trillion yen. The LDP government days were a period in which incremental growth in revenues took place which enabled policy tax reductions. This is why the LDP Tax System Research Committee and Policy Research Council exercised so much influence."

The above statement was made by Administrative Department Chief Chiyoki Takano who controls the office staff of the Policy Research Council. Takano was employed by the Policy Research Council in 1958 and has since specialized in the fiscal sector. He adds, "The telephone directory was initially compiled when I was employed by the council, but it consisted of only 10 pages at that time. In the year before last, it had grown to 200 pages."

Another point that warrants special mention as the role of the Policy Research Council is that it was the "training agency for Diet members." It need not be mentioned that the subcommittees were the forums for policy seminars, while seniority determined assignments to and accumulation of experience with policy research committees as well as Diet committees through rotational assignments. Basically, the respective subcommittees deal with the applicable Diet committees, but "promotional patterns" of Diet members are set so that two-termers become vice chairmen of LDP subcommittees and directors of applicable Diet committees, three-termers become parliamentary vice ministers, and four-termers become subcommittee chairmen.

The career pattern discussed above is premised undoubtedly on the "permanent survival of the LDP as the sole ruling party."

The system is a spectacularly complete one as described by the titles, "diet within the Diet," "interests coordinating agency," and "Diet member training agency," but the degree of "completeness" led to abuses and thrust the LDP into a crisis.

With respect to the situation surrounding the "Diet within the Diet," LDP sources uniformly state, "It enables the party to monitor the government," but even if that fact is granted, if debate is completed between the "government (party)" and the "bureaucracy" in advance, the Diet becomes a mere forum of formality where the opposition is allowed to make statements "lacking a purpose." In the end, such a process causes a decline in the parliamentary process and renders government impotent.

The role of "interests coordinating agency" by itself is consistent with the basic role of government, but if it is carried one step too far, it can result in "government-bureaucratic adhesion" and rampant behavior by zoku Diet members. Currently, zoku Diet members are playing a major role in the Tax System Research Committee.

Further, the role of "Diet member training agency" has the potential, in reality, of becoming a "training agency for zoku Diet members," and a system whereby key appointments are made purely on the basis of seniority runs the risk of creating organizational rigidity.

In other words, the Policy Research Council contradicted its purpose of existence by acting increasingly in a near "corrupt" fashion as it advanced in "maturity." The "collapse of the 1955 system" was the result, in effect, of exceeding appropriate "limits" and the creation of a variety of contradictions.

"General Policy Diet Members" With a Philosophy and Vision"

Last year when the LDP became an opposition party, the "telephone directory" was not compiled. The LDP returned to ruling party status this year, but it did not prepare the list in response to criticism about zoku Diet members. There is also the consideration that the ruling parties are organized as a "coalition."

As soon as the coalition government was formed, Koichi Kato was appointed as the new Policy Research Council chairman. He succeeded Ryutaro Hashimoto, but had to face circumstances that could not have been visualized by Policy Research Council chiefs of the past.

"The Policy Research Council is more active than in the opposition party days, but the pace is nothing like it was during the LDP sole ruling party days."

Policy Research Council Chairman Kato frankly recognizes the current situation as stated above, and mentions difficulties faced because of the coalition party setup, saying, "Final work on all proposals must be subjected to a policy coordinating conference among coalition parties. That means that there must be room for compromise on each proposal. We have told subcommittee chairmen to make flexible decisions because any proposal that is completely finalized without room for compromise could cause problems. We instruct them to leave room for changes in about 10 to 20 percent of the contents of each proposal."

Currently, the three coalition parties conduct a series of policy coordination sessions to reach decisions. The highest decision-making agency is the "ruling party Executive Conference." Needless to say, Policy Research Council Chairman Kato is a member of the conference. The ruling party Executive Conference is supported by the ruling party Floor Leaders' Council, ruling party Policy Coordination Council, and Diet Affairs Committee Chairmen's Council.

Among those bodies, the one that handles consultations and decisions is the "ruling party Policy Coordination Council." Members of this council include the LDP Policy Research Council chairman, deputy chairman, and House of Councilors Policy Council chairman. Additionally, the Ruling Party Policy Coordination Council is supported by ruling party versions of subcommittees known as "Ministry and Agency Coordinating Councils" which deal with the respective ministries and agencies and which are composed of subcommittee chairmen and deputy chairmen of the respective ruling parties. Research councils such as the ruling party Tax System Research Council and other project teams have also been established.

The respective ministry and agency coordinating councils are staffed by members of the respective ruling party policy research council administrative activities, but voices of discontent are heard from individuals thus assigned.

One LDP administrative bureau source expresses fear that the coalition has led to a decline in "party discussions," saying, "In essence, matters preceding the conduct of a coordinating council meeting are "delegated to the subcommittee chairmen," and even important matters are subject to after-the-fact reporting because there is no time to hold individual subcommittee meetings. The authority of the subcommittee has declined and discussions at the subcommittee and party level no longer take place."

The source adds, "The elimination of discussions within parties signals a crisis which compounds the situation in which several Diet members who were expert in policy matters and who could speak with authority to bureaucrats have left the party."

The rehabilitation of the LDP will require the development of policy experts through the Policy Research Council who are not zoku Diet members, but who remain detached from "bureaucrats" and "industry." However, Policy Research Council Chairman Kato states, "We should make a distinction between good zoku Diet members and bad zoku diet members.

"We speak of zoku Diet members in general, but, in reality, 80 percent can be considered professional Diet members, while only about 20 percent function as lobbyists. The involvement of interests and rights is besides the point, while professional Diet members are essential and we are really not in a position to deny them the right to represent certain interests. As an example, it is appropriate that politicians represent the interests of their constituents. The question is, can they maintain a broad perspective with a philosophical and visionary outlook?"

Council Chairman Kato stresses that there is a need to develop "general policy Diet members" who possess professional knowledge of several specialties and who maintain a comprehensive vision. He adds, "Politicians must have the ability to accurately grasp the essence of issues. They are not required to possess highly specialized knowledge. That role belongs to the bureaucrat. Under a parliamentary cabinet system, it is appropriate that the ruling party cooperate with the bureaucracy and the proper functioning of that relationship is dependent upon whether politicians can maintain a comprehensive vision and independence."

Thirty Staff Members Who Became Busy as Part of the "Opposition Party"

The question is, as an example, can independent policies be launched in the form of Diet-member-initiated legislation when a political party becomes a part of the opposition? The answer to that question will depend on a political party's ability to develop policy. The key to answering that question rests with the quality of the administrative staff of the Policy Research Council. Even in the case of the ruling party, this factor is revealed in the "distance maintained in relations with bureaucrats."

In the case of the LDP, party administrative bureau personnel total 200 and 30 of them serve the Policy Research Council. Of the 30, seven are veteran policy specialists called "research officers" and have the authority to state their opinions to the Policy Research Council chairman. Both research officers and other staff members handle more than one of the 17 subcommittees. The previously mentioned administrative department chief Takano is also one of the research officers.

LDP staff employment practices do not call for employment of personnel to specialize as staff members of the Policy Research Council and employees serve in various activities as they are subjected to reassignments. However, most veteran research officers have spent all of their careers in the Policy Research Council.

One administrative bureau employee comments, "Expertise of research officers in the area of policy probably exceeds that of senior Diet members."

Included among those that are well known in Nagata-cho is Tomozo Iwakura who is in charge of the agricultural and forestry sector. He is a great grandchild of Tomomi Iwakura and is an agricultural policy specialist who majored in agricultural economy at the Tokyo University School of Agriculture. His expertise is reportedly recognized by Ministry of Agriculture, Forestry, and Fisheries officials.

The previously mentioned administrative bureau employee adds, "He is familiar with former U.S. Agriculture Secretary Yeutter, and visited Geneva frequently with respect to the Uruguay Round negotiations."

During the past 20 years, college graduates have been employed on a regularly scheduled basis leading to the development of a staff appropriate for the Policy Research Council, but there was a time when many employees were hired on the basis of personal connections. Further, immediately following the establishment of the LDP, for a time, personnel from the former Liberal Party and Democratic Party days remained as research officers. Most of them were "repatriates from the continent" and were former high officials of the Manchurian government and officers of the Bank of Korea. The Policy Research Council provided employment to high-ranking prewar bureaucrats.

Setting those facts aside, the current staff of 30 is wholly inadequate. Moreover, there are those such as the Diet member secretary who says, "I feel sorry for them because they must involve themselves with the conduct of meetings, liaison work, and a variety of miscellaneous duties."

Reportedly, administrative department chief Takano encourages junior staff members to "become policy experts," stating, "You must not become tools for a government office. You must establish close relations with bureaucrats and a relationship where you can maintain a dialogue on an equal footing. That will require you to develop expertise which will enable you to advise Diet members. It is also important that you be able to write well."

In actual practice, the policy segment of draft documents used by Diet members during interpellations are written almost exclusively by Policy Research Council staff personnel. Reportedly, the workload grew sharply during the opposition party days in the area of representative questioning. During the days of the single ruling party, only one LDP Diet member presented a question during the regular and special sessions, but this figure grew to 20 during the year as an opposition party.

When staff members write, they must do so at the speed at which people speak. This averages out to approximately 7,500 words during 30 minutes of representative questioning.

Takano comments, "Thus, when Mr. Hata exceeded his time limit by 10 minutes during representative questioning in July, we could see that Shinseito [Japan Renewal Party] lacked administrative bureau staff support. Opposition parties without an administrative bureau face difficulties."

In this connection, mention should be made that former Prime Ministers Takeo Miki and Kakuei Tanaka wrote their own drafts and then brought them to the Policy Research Council for "conversion into final format."

Both of those individuals were former chairman of the Policy Research Council. Of special note is that Kakuei Tanaka is said to be the first to make effective use of the Policy Research Council. In actual practice, he succeeded in winning Diet passage of a number of Diet-member-initiated legislation such as those covering fiscal resources.

Original Purpose of the Policy Research Council Was Establishment of a "Shadow Cabinet"

In reality, the Policy Research Council was not organized with a view which "premised its existence on the present-day ruling party." The party rules provide "for the sake of research, experimentation, and preparation of policy," which does not differ much from the Policy Boards of the SDPJ and the Democratic Socialist Party.

Ichiro Murakawa who previously worked as a staff member of the Policy Research Council and LDP Foreign Affairs Subcommittee chairman and currently serves as professor at Hokuriku University states, "Originally, the Policy Research Council subcommittees were launched as an independent LDP shadow cabinet to deal with the government." In 1955, no one probably visualized that the LDP would survive for so long as the sole long-term ruling government. This is why the Policy Research Council took on some characteristics of an opposition party organization.

Murakawa adds, "However, Japan maintains a parliamentary cabinet system and it is difficult for Diet members to initiate legislative action. They do not have the power to exercise authority over the legislative institution. Although the government has budget compilation authority, it is restricted to a single year. The political party was limited to dealing with the government in the form of policy tax cuts. There is reason why the Policy Research Council has acquired authority in its current format."

During the LDP sole ruling party days, the Policy Research Council was called the "behind-the-scenes government" because of the magnitude of its influence. This can only be referred to as being ironical since it was a case where the Policy Research Council was established with a shadow cabinet in mind, but called a "behind-the-scenes government" for an entirely different reason.

Now that the new status of the Policy Research Council is being questioned, junior Diet members who are in the throes of building their careers embrace complex sentiments.

Hiroshi Sumi, who is a two-termer and is serving as acting chairman of the Social Affairs Subcommittee, comments, "Since subcommittees are specialized in their functions, there is a need for an agency entrusted with overall coordinating functions. However, there is no such agency in Japan. Welfare policies including annuities need to be handled under comprehensive, long-term visions and in conjunction with tax systems, but we merely treat them repeatedly as makeshift measures within the framework of single-year budgets. When it comes to administrative reform, we should basically place emphasis on changing complex and mysterious Japanese systems of this nature. Under current systems, we feel exactly like mice running around in circles."

Shoichi Nakagawa who is a four-termer and serves as Agriculture and Forestry Subcommittee chairman states, "It is only logical that the ruling party support the government under the parliamentary cabinet system, but essentially, it is a question of whether or not we can maintain a arms-length relationship. I feel that I am doing so." On the other hand, he adds, "I have begun an effort to free myself of total reliance on the bureaucracy."

Nakagawa adds, "We are conducting seminars with staff members of the House of Representatives Legal System Bureau without representation from bureaucrats. Because it does not have independent functions of its own, the House of Representatives Legal System Bureau is not conspicuous, but employs individuals with superior knowledge. It is important to strengthen the party Political Research Council, but I believe efforts of Diet members serve as the ultimate decisive factor. When we meet with former school classmates who now work in industry, we can obtain expressions of frank views. I feel that individual Diet members should also develop the capability of functioning independently."

It is definitely a case where the "efforst of individual Diet members" are an ultimately important factor in terms of posture, but policy issues faced by present-day society are very comprehensive and specialized. That is the very reason why the bureaucratic system has grown to current proportions and there are limits as to how the individual can cope in the face of such circumstances.

Even when one reflects on the past year, circumstances surrounding political parties were subject to many changes. However, the "bureaucracy" and "industry" remain staunch survivors. Dealing resolutely on the part of "government" with those two bodies will require, on the part of political parties, not a "behind-the-scenes government" but the elements of a true "shadow cabinet." The Policy Research Council should probably restore itself to that basic tenet.

Majority of Local SDPJ Members Favor New Party

OW1012024894 Tokyo KYODO in English 0124 GMT 10 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 10 KYODO—The majority of local executive members of the Social Democratic Party (SDP) [SDPJ-Social Democratic Party of Japan], one of the three ruling coalition parties, favor the idea of dismantling the SDP to form a new "democratic and liberal" party, according to results of a survey by KYODO NEWS SERVICE released Saturday [10 December].

From Dec. 1 to Dec. 8 KYODO surveyed 137 SDP executives who will attend a Dec. 18 party meeting to discuss the initiative. A total of 114 of the executives or 83 percent responded.

The chairmen and secretaries general of the SDP's prefectural headquarters and the representatives of the party's local assembly members will join the forum.

Of the respondents, 84 of the respondents or 74 percent supported the idea while 20 people or 18 percent objected.

The SDP has decided in principle to transfer itself into a new party through bringing together Japan's "democratic and liberal" forces to compete with two large conservative parties in House of Representatives elections.

The two large parties are the Liberal Democratic Party, the largest bloc in the coalition, and the opposition Shinshinto (New Frontier Party) which is to be launched Saturday.

The New Democratic League, an SDP intraparty group, has urged to hold an extraordinary party convention to form a new party before an ordinary Diet session is convened around Jan. 20.

Among the respondents supporting the formation of a new party, 56 people said an extraordinary party convention should be held before the Diet session while 23 people said it should not.

The convention is expected to adopt a tenet of the planned new party. Other than the tenet, 23 said the convention should decide on dismantling the SDP while 27 people said it should decide only on a plan to dissolve the party in the future.

Only 23 said a new party should be established before the Diet session.

Local SDPJ Members Want Yokomichi as Party Leader

OW1212095794 Tokyo KYODO in English 0902 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Local executive members of the Social Democratic Party (SDP [SDPJ]) want Hokkaido Gov. Takahiro Yokomichi to head a planned new party, according to a poll released Monday by KYODO NEWS SERVICE.

Yokomichi topped the list of possible candidates for the new party head in the survey, supported by 30 of the 85 respondents, eclipsing party chairman and Prime Minister Tomiichi Murayama, who obtained support from 25 respondents.

The survey was conducted by KYODO in early December with questionnaires sent to 137 local SDP executives nationwide over the proposed new "democratic and liberal" party.

The polled members were asked to choose one person they would like to have as their new party head from five candidates—Finance Minister Masayoshi Takemura, who heads the SDP's coalition partner New Party Sakigake, SDP Secretary General Wataru Kubo and former SDP Chairman Sadao Yamahana, as well as Yokomichi and Murayama.

Takemura ranked far behind in third with four votes, and Kubo got the fourth slot with two supporters. None of the polled voted for Yamahana.

In a separate KYODO survey published last week, 74 percent of SDP local executives supported the idea of disbanding the party and forming a new one.

The SDP is scheduled to convene a national meeting on Dec. 18 to discuss the initiative.

The chairmen and secretaries general of the SDP's prefectural headquarters and the representatives of the party's local assembly members are expected to attend the meeting.

Yokomichi has announced he will run in the House of Representatives election if the lower house is dissolved even before his current four-year term expires in April 1995.

The Hokkaido governor, who enjoys strong support from labor unionists, was elected four times to the lower house for the SDP since 1969 before he successfully ran in the gubernatorial election in 1983. He has been reelected twice.

Among other possible party head candidates cited by the respondents were lower house speaker Takako Doi and news caster Hiroshi Kume.

Komeito Head Discusses Political Strategy

OW1212093294 Tokyo AERA in Japanese 12 Dec 94 pp 12-14

[Interview with Tomio Fujii, head of Komeito, by AERA staffer Masao Yamamoto; place and date not given]

[FBIS Translated Text] [Yamamoto] Why is it necessary to divide Komeito [Clean Government Party] into two parties?

[Fujii] At first, everybody was against the split. Secretary General Yuichi Ichikawa was also against it. In late September, at the enlarged Central Executive Committee meeting, I insisted: "That is not the way to do it. We should divide the party."

Komeito has already nominated 70 percent of local assembly members as its candidates for next spring's unified local elections. Komeito supporters will support them because they are Komeito assemblymen. For all that, if Komeito makes a hasty merger with the shinshinto [new-new party], which still does not have a definite name, that will give rise to confusion.

There is another thing. The KOMEI SHIMBUN, the party paper, employs 240 staff members and the prefectural headquarters throughout the country employ 360 staff members—about 600 people in all. If they are transferred to Shinshinto [New Frontier Party] at one time, the party will fall into acute financial difficulty.

Actually, Shinshinto has financial difficulties in employing 70-100 staff members. Therefore, it is theoretically correct for Komeito to take two steps in forming a union with Shinshinto.

[Yamamoto] The matter of government subsidies to political parties had to do with Komeito's decision, did it not?

[Fujii] Yes, that, too, was involved. However, a subsidy of less than 500 million yen will be given to Komeito after our separation. If 60-odd Komeito Diet members join Shinshinto, hundreds of millions of yen of party member expenses as well as expenses for legislation and investigation will be gone. Financially, therefore, the party's division will bring us no benefit.

We Summon All Our Forces If We Are Bullied

[Yamamoto] While you were discussing the party's division, the upper house by-election was held in Aichi Prefecture.

[Fujii] All Komeito members of the Tokyo Metropolitan Assembly went there to support Komeito's candidate. They went the rounds of Tokyo branch offices, agencies, and customers of enterprises. Twenty-five members visited hundreds of branch offices and agencies. If they had not approached the people outside Komeito organizations, the candidate would not have won as many votes as they did.

And Soka Gakkai, too, exerted its influence in winning votes. Shigatsukai's [name as published] attack on Soka Gakkai inspired the organization to greater efforts. A religious organization gives full play to its energy if it is bullied; oppression brings about such a result.

[Yamamoto] How do you promote Komeito's organizational change?

[Fujii] At prefectural or local chapter meetings, we are thanking and asking all current party members to join Komeito. Some may want to join Shinshinto. That is at their discretion, but they cannot belong to two parties.

[Yamamoto] How do you manage Komeito?

[Fujii] The Central Executive Committee will be changed into the Central Kanji [as published] Committee; chairman into representative; secretary general into kanjicho [as published]. In the metropolis and districts, there will be headquarters chief and kanjicho.

There will be 23-24 central kanji, who are totally local assemblymen. Kanji of far-off prefectures will attend the Central Kanji Committee once a month. The Standing Committee, comprised of 8-10 kanji, will conduct the party's daily affairs once a week. Although Osaka representative will also attend the meeting, party affairs will be conducted with the Tokyo Metropolitan Kanji as the center.

[Yamamoto] Do the leaders get together on rare occasions?

[Fujii] Local assemblymen are busy and it is difficult to get in touch with them. District councils will be established throughout the country, with proportional voting blocks for the lower house in mind. Contact will be established through council chairmen.

I just make a call at party headquarters every morning. The Tokyo Metropolitan Assembly is the base and the center of my life. The chief of the General Affairs Bureau (staffer) may be stationed in the party headquarters as usual. Work related to Diet affairs will cease to exist, and so 20-30 staff members will follow the dietmen. The party headquarters will appear empty. Personnel affairs will be reexamined.

Former Komeito Members Are Family Members

[Yamamoto] What is the role of upper house dietmen?

[Fujii] They will perform the role of counselor and will form a link between ourselves and national politics. We obtain information concerning the Diet through them and we convey our requests to the Diet through them.

[Yamamoto] You will have to change the KOMEI SHIMBUN's editorial principles.

[Fujii] Our party will become a local party, and so it will become difficult for our newspaper to carry articles about central politics but we will try to do so. The reason is that if the newspaper carries, for example, only articles about Saitama Prefecture, that will displease the people of Niigata Prefecture.

In reporting on Shinshinto, the newspaper will emphasize the moves of former Komeito members, but it must carry some articles about people other than former Komeito members. These people will become closer to us than "guests." Naturally, a closer relationship with Shinshinto will be reflected in the newspaper.

[Yamamoto] The most important point in the Shinshinto relationship is a general election.

[Fujii] The former Komeito members are our family members. We will support them because they are our blood brothers.

Shinshinto is "our allied political party." We will support those who are on good terms with us. It will be difficult for us to support those who always quarrel with us, but they will be friendly to us.

[Yamamoto] How do you support them concretely?

[Fujii] If a Shinshinto candidate wants to hold a speech in a single-seat electoral district where a former Komeito member does not run, Komeito will hold a briefing session on prefectural politics and let him make a speech there.

However, most of those who run in single-seat electoral districts are able to mobilize supporters for their briefing sessions, and so our support will be mostly supplementary in nature.

If a Shinshinto candidate asks us to introduce him to Soka Gakkai, we may show him the location of Soka Gakkai's office and tell him about the Soka Gakkai situation beforehand. However, whether Soka Gakkai will support him or not will depend on his true worth. Soka Gakkai will not support him entirely at its expense.

[Yamamoto] Where are you going to talk about such things?

[Fujii] The problem is whether a liaison council can be established between Soka Gakkai and Shinshinto whenever it is necessary. That will be a future issue. It is said that Soka Gakkai is going to establish a social council, which, I think, will handle the matter of liaison.

In unified local elections, if requested, Komeito will support Shinshinto candidates in electoral districts where Komeito candidates do not run. How give-and-take is carried out will depend on an individual district's situation.

[Yamamoto] You are also on friendly terms with the Liberal Democratic Party [LDP] in some districts.

[Fujii] The LDP is not our enemy. It may be our ally in some districts. There may be some cases where it is impossible for us to break off with the LDP because we have cooperated with each other.

However, the coperation between Komeito and the LDP will become less frequent. Shinshinto will run its candidates in every electoral district in general elections. Since there is the proportional representation system, votes in electoral districts where former Komeito members do not run are also important.

As Komeito is a local political party, local color of every kind will emerge. Although Komeito's central organization cannot control it, it cannot leave the matter to take its own course. We will listen to the opinions in the provinces and they will be coordinated by the Central Kanji Committee. Adjustment will be gradually completed.

[Yamamoto] Komeito has prohibited the receipt of donations from enterprises, but Shinshinto is going to receive donations.

[Fujii] Komeito, too, will receive donations in principle. However, there is a definite procedure for receiving donations. Donations will be received by the party or prefectural headquarters. Receipts and payments exceeding 50,000 yen will be conducted in open and will be managed by only one organization. The receipt of donations will be all right since receipt procedures have become transparent.

The receipt of individual donations will be examined in future.

Joining Forces With the Current Administration Will Be Possible

[Yamamoto] Is there a change in policy?

[Fujii] Fundamentally, ours will be based on Komeito policy, but the wording will be touched up. Governmental issues, such as diplomacy and national defense, will be taken up.

We will refrain from saying what is too different from what Shinshinto says. Since we have former Komeito members in Shinshinto, we will know the party's general situation.

The adjustment with Shinshinto is most imperatively needed concerning such issues as the consumption tax, peacekeeping forces, and Japan's UN permanent membership. Local assemblymen are very cautious about

Japan's entry into the UN Security Council as a permanent member. I myself do not think it necessary for Japan to become a permanent member in a hurry.

We are going to strongly advocate decentralization more than anything else. And deregulation, tax reform, and reexamination of the issuance of bonds....

We are going to put pressure upon the national government as if we are conducting local government. This is no longer the age of 30 percent self-government.

[Yamamoto] Will you contact the current administration to realize your policy?

[Fujii] Even now we have made a proposal to the government. Ours is a party for the ordinary people, not a party for ideology's sake. If the current government wholly accepts our policy, we may join forces with it. However, if that happens, Shinshinto will also become accommodative and we may be courted by both sides.

[Yamamoto] As party head, are you going to meet with other party heads?

[Fujii] No, I am too humble to visit Shinshinto's head. If asked, I will meet with him. However, I have no intention of attending a party heads' meeting.

[Yamamoto] You have completed arrangements with much effort, but you are going to disband in four years.

[Fujii] Theoretically that is correct. However, the time of our union with Shinshinto will depend on the following: at what stage and how ripe is the time for union? Unless Shinshinto is ready to accept us, we cannot join forces with it even if we want to.

If Komeito joins forces with Shinshinto, Shinshinto will come to have great power. It may rather be Komeito that swallows Shinshinto.

Soka Gakkai Head Discusses Political Influence

OW1212074794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Dec 94 Morning Edition p 2

[Interview with Einosuke Akiya, president of Soka Gakkai, by unidentified NIHON KEIZAI SHIMBUN reporter; date and place not given]

[FBIS Translated Text] Komeito is going to split into two entities, with one group of Diet members joining Shinshinto [the New Frontier Party], which will be inaugurated on 10 December. The other group of local assemblymen will retain the party name, "Komei." Since its founding in 1964, Komeito has strongly been backed by Soka Gakkai, Japan's largest Buddhist lay group. In a NIHON KEIZAI SHIMBUN interview, Soka Gakkai President Einosuke Akiya spoke about the ongoing political realignment and Soka Gakkai's policy regarding the next general elections.

Ozawa Has Played an Important Role in Promoting Reform

[NIHON KEIZAI SHIMBUN] Soka Gakkai recently decided to change its long-standing policy of supporting only Komeito members in elections. Would you please explain the new policy?

[Akiya] As a supporting organization, Soka Gakkai has, for many years, backed only Komeito candidates. However, now, since Japan has entered a shaky era of political upheaval, and since part of Komeito has decided to join Shinshinto to cope with the new single-seat electoral system, we have been compelled to review our long-standing policy of supporting only Komeito politicians. We will no longer support the same political party in all elections; rather, we will decide for ourselves which candidates to back in each election. When making our choices, the candidates' personality and ability will be our first consideration. It is totally wrong to think that all Soka Gakkai members are at the president's beck and call, because Soka Gakkai is a religious organization. Komeito politicians may no longer be able to win votes from our members if they continue to rely on their past connections with Soka Gakkai without making new efforts.

[NIHON KEIZAI SHIMBUN] Regarding the question of whether the so-called peacekeeping operations law should be revised to enable the Self-Defense Forces to participate in military aspects of UN peacekeeping missions, do you want Komeito's stance to be reflected in the Shinshinto policy platform?

[Akiya] We have always been pacifist. Respect for human life is most important in Buddhism. Our ideal goal is to establish lasting peace on earth, and we really hope that politicians from Komeito will continue to make utmost efforts in that direction. However, if they change their policy after joining Shinshinto, and if they engage in political activities that disagree with our beliefs, they may lose our support.

[NIHON KEIZAI SHIMBUN] Ichiro Ozawa has again become the center of public attention because he has great influence over the selection of Shinshinto's chief executives. What do you think of him?

[Akiya] There are many different ways to evaluate a politician. Politicians' doings always have both right and wrong aspects. I think Mister Ozawa has played an important role in promoting reform. In this sense, he deserves to be praised.

Soka Gakkai Endeavors To Protect Freedom of Religion

[NIHON KEIZAI SHIMBUN] For you, what is the ideal type of political realignment?

[Akiya] Many people expect the political situation to stabilize soon. They also expect Japanese politics to improve at the same time. Desirably, conservative and middle-of-the-road politicians should form a steady political force to become the nucleus of Japanese politics. This should be the best outcome, if we think there will be a greater realignment in the future.

[NIHON KEIZAI SHIMBUN] Do you think that what is happening now on the political scene is just transitional?

[Akiya] I think we are now in a chaotic state because the framework of existing political parties was almost destroyed. The current combination of different parties is still subject to change. Japanese politics will definitely take a new shape after two or three general elections.

[NIHON KEIZAI SHIMBUN] What do you think of the severe criticism leveled at Soka Gakkai by the ruling Liberal Democratic Party [LDP] and by a group of academics called "Shigatsu Kai"?

[Akiya] I know that various complaints are being made against Soka Gakkai under the current political situation. However, I do not think that all LDP members are against us. If an influential political power, like the LDP, were to intervene in religion by imperceptible degrees, and if we were to feel that the freedom of religion were being subjected to suppression, we would surely resist such unjustified pressure, and we would consequently come to dislike the LDP. We are very strict regarding the freedom of religion.

[NIHON KEIZAI SHIMBUN] Is it possible for Soka Gakkai to support an LDP candidate in the next lower house election to be held under the new single-seat electoral system?

[Akiya] Yes, it is. However, if the Social Council, which is our decision-making body, decides to support Shinshinto at this stage, we will basically back its candidates. However, we will examine the personality and ability of each candidate before making our final choice.

Soka Gakkai Will Talk With the LDP Before Deciding Which Candidate To Support in the Upcoming Tokyo Gubernatorial Election

[NIHON KEIZAI SHIMBUN] What is Soka Gakkai's policy regarding local elections, which will be held throughout the country next April?

[Akiya] We are planning to support Komeito candidates. In some districts, Shinshinto members may run against Komeito candidates. In such cases, Soka Gakkai will probably back Komeito politicians. In local elections, a contest between Komeito and Shinshinto is inevitable to some extent. What will we do when there are no Komeito politicians running in a district? That will be a problem. In the past, when there were no Komeito candidates, Soka Gakkai voters went their own way. In any case, the decision lies with our regional chapters.

[NIHON KEIZAI SHIMBUN] The ruling and opposition camps are now searching for candidates to succeed Tokyo Governor Shunichi Suzuki, and the public is keeping an eye on what move Komeito will make.

[Akiya] So far, no arrangements have been made about the upcoming Tokyo gubernatorial election, but I think negotiations with different parties will start soon.

[NIHON KEIZAI SHIMBUN] Some LDP Diet members are assuming a critical attitude toward Komeito. Don't you think this will be an obstacle to possible negotiations between the LDP and Soka Gakkai?

[Akiya] We had some contacts with some LDP members in the past, so if we can talk out the matter with them, we will be able to form a definite idea. As there is not much time left before the Tokyo gubernatorial election, we have to deal with the matter quickly and properly.

[NIHON KEIZAI SHIMBUN] What do you think of Deputy Chief Cabinet Secretary Nobuo Ishihara, who is seen as a major contender?

[Akiya] He has held the post of deputy chief cabinet secretary for a very long time, and I have heard that he has been good in his job. At this time, however, I cannot tell you if he is also suited to be Tokyo governor.

Majority of Manufacturers See More Hollowing Out

OW1212102594 Tokyo KYODO in English 0858 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—Eight in 10 big Japanese manufacturers see more "hollowing out" of the nation's industry as companies shift production overseas to flee the high yen's cost, a KYODO NEWS SERVICE survey indicated Monday [12 December]. That response from 79 of 100 major companies surveyed shows that industry's priorities are clearly on seeking international competitiveness over maintaining domestic employment.

The moves represent concern by manufacturers over their survival against global competition. But if the shift overseas continues, as an official at Victor Co. of Japan noted, "the employment issue will remain."

The erosion of Japan's manufacturing and employment base can only be countered by creating new businesses and industry, many analysts say. That would require deregulations and overhaul of domestic practices that inhibit such moves into new areas, they say.

Most of the manufacturers surveyed said they have made or plan to make a production shift overseas, with 36 saying they have cut or halted domestic production and shifted sections overseas since April last year and another 20 saying they plan such a shift.

The trend toward lower-cost production bases overseas also shows itself in the companies' plans for capital spending, a key component of Japan's economy.

The 88 companies responding to a question on the subject said they plan to spend a total of 3,004.1 billion yen on domestic plant and equipment in the fiscal year through March, down 72.2 billion yen from the previous year, while planned overseas capital spending will jump 169.2 billion yen to 1,249.0 billion yen.

Including past manufacturing buildups, investment in China led the pack, with 36 companies reporting capital spending there, while 17 firms cited investments in Thailand and 14 in Indonesia.

The lure of both nearby consumers and cheap labor prompted 101 combined responses of companies investing in plant and equipment in Asian countries, tallying multiple responses, far outpacing the 54 companies reporting such capital spending in Europe or America.

The background for the overseas shift is the yen's historic rise in recent years that inflates prices of Japanese imports in other currencies and lowers overseas costs in yen terms.

For the second half of the fiscal year, 73 of the companies said they have set their internal [word indistinct] rate at 100 yen, while 67 have set rates in the 90-100 yen range for fiscal 1995, anticipating no letup in the yen's gains. The dollar closed Monday in Tokyo at 100.26 yen.

As price competition intensifies, 79 manufacturers said they are trying to further cut costs to lower prices, 68 are buying more materials from abroad and 66 said they are shifting production toward more value-added products.

But even as the big makers improve operations by switching to overseas suppliers and production bases, problems arise elsewhere in the Japanese economy, for example, as smaller domestic suppliers see their orders from the big firms sag.

Nikkeiren Urges End to 'Hollowing Out' Industry

OW1212033494 Tokyo KYODO in English 0310 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 12 KYODO—The head of the Japan Federation of Employers Associations (Nikkeiren) urged the government Monday [12 December] to take steps to stop the so- called "hollowing out" of Japanese industries, a government official said.

Meeting International Trade and Industry Minister Ryutaro Hashimoto, Takeshi Nagano called on the government to curb further hikes in public services rates, the official said.

Nagano was also quoted as recommending measures be taken to improve Japan's labor market conditions as more and more domestic manufacturers are shifting production overseas to cheaper Asian markets.

The proposals were made during a breakfast meeting with Hashimoto and other top officials at the Ministry of International Trade and Industry (MITI).

Hashimoto only offered general proposals to the issues raised, such as deregulation, further efforts to curb public rates and formulation of macroeconomic steps.

Nagano told the government that leaving "the extraordinarily high" yen rate against the dollar unattended will further result in the hollowing-out phenomenon in Japan, shaking not only financial standing of export-oriented manufacturers but the foundation of the Japanese economy.

The strong yen is pushing up corporate production costs, eventually affecting wage levels of workers, Nagano explained.

He added he hopes MITI and the Labor Ministry will set "specific targets" in the labor front to halt the hollowing out of Japan's manufacturing sector.

In response, Hashimoto said life employment should be maintained while new employment systems should be considered, such as temporary jobs via manpower agencies, the official said.

Countermeasures for Industrial Hollowing Proposed

952A0074A Tokyo EKONOMISUTO in Japanese 11 Oct 94 pp 96-97

[Article by Kunio Miyamoto, Sumitomo Life Insurance Research Institute senior researcher: "Excessive Hollowing Threatening Japan"]

[FBIS Translated Text] **Strong Yen Exceeding Equilibrium Rate**

A consensus of opinion has now generally been reached that the economy is moving toward recovery. However, its stamina for recovery in the future is still a question mark. The largest cause for the question is the issue of industrial hollowing. It is the fear that the expansion of investment and employment will be impeded with the manufacturing industry being compelled to move production bases overseas and with an increase in reimportation. The news is symbolic that in the future Toyota will shift from exporting to the United States to production there, and, on the other hand, has begun negotiations with the Chinese Government for its inroads into the Chinese market.

It is, of course, the strong yen that touched off the question of hollowing. After its sharp rise since the beginning of last year, the yen temporarily turned back toward the yearend, but again rose sharply at the beginning of this year, with its rate changing from 125 to the dollar in January 1993 to 111.5 in January 1994 and to 99.9 in August 1994. In terms of the real effective rate (IMF—the 1990 rate is set at 100), corresponding figures are 116.3 in January 1993, 138.2 in January 1994, and 148.5 in August 1994, showing a further rise in the value of the yen.

The problem is that the yen's value has been rising sharply, continuing to exceed the equilibrium rate decided by the international competitiveness of Japan's industries. According to this year's economic white paper, the equilibrium rate held by the Japanese economy for 1993 is 129.3 yen to the dollar (the actual rate for 1993 is 111.2 yen). Since the beginning of this year, the yen's equilibrium rate, too, has risen high, but its range of separation from the actual rate has become even greater. If a situation in which the actual rate exceeds the equilibrium rate drags on, even those industries initially capable of maintaining competitiveness at home will be forced to move their bases to foreign lands.

However, the more fundamental cause behind the question of hollowing is the rapid appearance of China and other low-wage countries on the arena of international competition. Particularly, through the end of the cold war, the former Communist bloc estranged from the Free World in the past has began shifting into the market economy, producing a large effect in this regard. In China, too, the reform and open-door policy lines have begun gaining momentum at this point. Under these circumstances, technical standards of these countries are also advancing rapidly. In the Free World where capital movements are free, it is natural for enterprises to follow a globalization strategy which seeks to transfer unskilled labor-intensive industries to countries where wage costs are low. This move may be called a pull factor if we term the excessive appreciation of the yen a push factor in promoting the hollowing.

For example, China's wage cost is as low as 1/70th of Japan's (1993). The advantage of low wage costs continues to exist, unaffected by upward or downward changes in the exchange rate if the changes stay within the range of about 50 percent. Under these conditions, Japan's direct investment in China has been increasing rapidly at an annual rate of 70 percent on the average since the beginning of the 1990's.

The international industrial realignment, whose driving force is the gaps in wage levels resulting from different development stages, is a move in accord with developing countries' economic growth through the high-level industrialization and technical transfer of advanced countries. It is also a move in line with dynamic progress in the international division of labor which embraces the developing countries' economic growth. It is thus a world of plus something. Even if it generates some partial side effects, we cannot suppress it artificially. Needless to say, we must cope with it in a forward-looking manner.

The problem is the fear that the industrial adjustment pressure may mount too rapidly and excessively because the push factor is added to the pull factor which is already taking effect at an increasing tempo. Particularly, the fear concerns initially competitive industries forced to transfer their bases to foreign lands due to the exchange rate's excessive and protracted upward moves which exceed the equilibrium rate. They will be unable to easily return to domestic production even if the yen later returns to the level of the equilibrium rate. This represents nothing but a great waste of resources. Central industries' excessive production transfer to foreign lands is apt to lower the force of technological development through a loss of the advantages of corporate integration.

In the case of Japan, it is highly feared that the separation of the exchange rate from the equilibrium rate will drag on if things are left as they are. The first reason is that, because exports greatly exceed imports, the surplus is not easily reduced even if the rate of increase for exports drops and that for imports rises as a result of the strong yen. Such being the case, the J-curve effect drags on. According to last year's white paper, the 10-percent rise in the value of the yen with the end of 1992 will require two-and-a-half years to reduce the dollar-based surplus.

Second, the rate of passing the higher yen burdens on to export prices is low (about 60 percent in 1993), though the rate has been increasing lately, which weakens the surplus-reduction effect of the strong yen accordingly. When a surplus fails to drop despite the strong yen, to make up the failure a violent surplus reduction will be forced through industrial hollowing.

What is more, in Japan an excessively strong yen harms the export industry's international competitiveness to a greater extent than does the German currency, etc., in other countries. That is, due to low productivity of non-trade goods that occupy a major part of people's living costs, the yen's domestic purchasing power is very low compared with its external purchasing power indicated in the exchange rate. High living costs bring about high wages, and high wages put pressure on corporate earnings. Moreover, the high domestic costs including land prices, combined with various entry regulations, become impediments to direct investments in Japan by foreign enterprises. They also constitute a factor in delaying not only the import of merchandise through dealings within the business domain, but also the import of services sold through face-to-face contacts in the market (financing, consulting, computer service, etc).

Preparations for Higher Level Industrialization

To cope with these conditions, it is first necessary to hasten surplus reductions through the income effect based on expansion of domestic demand. Second, efforts should be made to enhance productivity in agriculture and services through deregulation and the opening of the market. Third, in order to cope with the pull factor, which is to last for a long time into the future, we should improve the foundation for developing industries that require higher levels of technology, such as the information industry. Fourth, measures should be taken to make the employment system flexible, because it is difficult to maintain employment within each separate enterprise and each separate industry amid the accelerating change of the industrial structure. Fifth, it is necessary to step up labor force retraining such as computer education.

North Korea

Arrival of U.S. Senators in Pyongyang Reported

SK1112082894 Pyongyang KCNA in English 0824 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—U.S. Senators Paul Simon and Frank Murkowski and their party arrived here today.

They were met at the airport by Song Ho-kyong, advisor to the Foreign Affairs Committee of the Supreme People's Assembly, and officials concerned.

Kim Yong-nam Meets Senators Murkowski, Simon

SK1212112094 Pyongyang KCNA in English 1054 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, today met and had a talk with U.S. Senators Paul Simon and Frank Murkowski and their party.

Present on the occasion was Song Hong-yong [spelling of name as received], advisor to the Foreign Affairs Committee of the Supreme People's Assembly.

On the same day, Yang Hyong-sop, chairman of Supreme People's Assembly, met and had a conversation With Paul Simon and Frank Murkowski and their party who paid a courtesy call.

Panmunjom News Conference Held by U.S. Senators

SK1212130794 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 12 Dec 94

[FBIS Translated Text] On the afternoon of 12 December, two U.S. Senators held a news conference at Tongilgak in our side's area of Panmunjom. Functionaries concerned, the U.S. Senators, and their party attended the news conference. Also attending were reporters from our country's newspapers, news agency, and broadcasting agencies as well as foreign reporters stationed in our country.

Answering the reporters' questions, U.S. Senators Paul Simon and Frank Murkowski said as follows:

[Begin recording] [Senator Simon, in English fading into Korean translation] During our visit to the DPRK, we met functionaries from various sectors and exchanged frank [solchikhan] conversations. Through the talks, we received the impression that the DPRK Government will sincerely implement the DPRK-U.S. agreed framework. We also told them the U.S. Government will carry out the commitment it made.

We would like to express our gratitude for the hospitality offered to us by your side during our stay. Back home, we will work to develop bilateral relations within the framework of the DPRK-U.S. agreed framework.

The visit was very successful. We received the utmost hospitality during our stay. Most of all, the two countries will promote understanding and trust.

We have come to have a good impression of your beautiful country. I and Mr. Murkowski will do our best to implement the DPRK-U.S. agreed framework. [end recording]

After the news conference, the U.S. Senators and their party entered the area of the South via Panmunjom.

Visit Said 'Very Successful'

SK1212112894 Pyongyang KCNA in English 1057 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—Senators Paul Simon and Frank Murkowski and their party are interviewed by Korean and foreign reporters in Panmunjom today.

Saying their visit to the Democratic Peoples' Republic of Korea was very successful, they expressed thanks for the hospitality accorded them during their stay in the DPRK.

They said that through a series of exchanges of views, they got the impression that the DPRK Government was honestly implementing the DPRK-U.S. agreed framework.

They stated that back home, they would strive [words indistinct] for the implementation of the agreed framework and the development of the DPRK-U.S. relations.

They answered questions put by reporters.

North-U.S. Joint Statement on Liaison Offices

SK1012123694 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 10 Dec 94

[FBIS Translated Text] The following is a joint press statement on the status of the second round of talks between the DPRK and the United States regarding the opening of liaison offices.

Delegations of the DPRK and the United States of America held talks in Washington from 6 to 9 December to discuss consular and technical issues related to an exchange of liaison offices between the two countries in accordance with the DPRK-U.S. framework agreement of 21 October 1994.

The talks were cooperative and constructive. The two sides resolved the consular issues, as well as almost all of the business-like matters [koui modun silmujok munjedul] related to the opening of liaison offices. The issue that remains is to find appropriate sites for the liaison offices.

The two sides agreed to send their respective teams made up of experts to each other's capitals in early 1995 to survey sites for opening liaison offices.

[Dated] 9 December 1994, Washington

Talks Said 'Constructive'

SK1012104394 Pyongyang KCNA in English 1039 GMT 10 Dec 94

["Joint Press Statement on Second DPRK-U.S. Expert-Level Talks for Opening of Liaison Offices"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA)—A joint press statement on the second expert-level talks between the Democratic People's Republic of Korea (DPRK) and the United States of America (U.S.) concerning the opening of liaison offices was made public in Washington on December 9.

The statement reads:

Delegations of the DPRK and the U.S. met in Washington, D.C. December 6-9, 1994 to discuss consular and technical issues connected with an exchange of liaison offices between the two countries, as foreseen in the DPRK-U.S. agreed framework of October 21, 1994.

The talks were cooperative and constructive. The two sides resolved outstanding consular issues and most technical issues related to the opening of liaison offices. The issue that remains is finding appropriate sites for the liaison offices.

The two sides agreed to send their respective teams of experts to each other's capitals in early 1995 to survey sites for opening liaison offices.

Foreign Groups Praise U.S.-North Agreement

SK1212053094 Pyongyang KCNA in English 0441 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—The National Direction Committee of the Sudanese Union-African Democratic rally in Mali in a statement said the DPRK-U.S. agreed framework serves as a milestone in ensuring denuclearization, peace and security on the Korean peninsula.

The statement urged the United States to refrain from any pressure or military action of screwing up tensions on the Korean peninsula and sincerely implement the articles of the agreement.

Director of the Indian Centre for the Study of the U.N. Dr. M.M. Berma in a press statement said the world community is hailing the DPRK-U.S. agreed framework as a milestone for the solution of nuclear problem on the Korean peninsula and a historic document conducive to ensuring world peace and security.

He went on:

"Since the DPRK-U.S. agreed framework has become an international commitment, the world community is now watching how the United States implements it. But the U.S. conservative forces are making irresponsible and rash utterances exerting negative influence on the implementation of the agreement."

"It is the requirement of the times and fully conforms with the U.S. interests to remove distrust between the DPRK and the U.S. and convert the long-standing hostile relations to that of friendship and cooperation."

South, U.S. Military Exercises Condemned

SK1112084094 Pyongyang KCNA in English 0819 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—The U.S. imperialist warmaniacs and the South Korean puppets are still resorting to the act of aggravating the situation on the Korean peninsula, according to military sources.

More than 20 fighter bombers, assault planes and pursuit-assault planes from U.S. Airforce bases overseas on December 9 were frantic in a ground and air strike exercise against the North in the sky above Hoengsong and Kangnung in coordination with some 370 fighter planes of the U.S. Airforce in South Korea and the puppet airforce.

The South Korean puppets introduced hundreds of puppet Army soldiers armed with machine guns and automatic rifles and heavy weapons into the demilitarized zone of the eastern and central sectors of the front and threatened the personal safety of our side's civil police, firing bullets at random on December 8 and 9.

And 105 mm artillery groups and heavy tank group of the South Korean puppet Army and hundreds of armed bandits incited a war fever, firing hundreds of shells and over 4,500 bullets in the central and western sectors of the front on December 8.

This is the provocation of the U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique to lead the situation on the Korean peninsula to the brink of war, going against the desire of the nation for peaceful reunification and the detente.

More Commentary on Recent Accidents in ROK

SK1212053994 Pyongyang KCNA in English 0453 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—NODONG SINMUN today comments on the disastrous gas explosion which occurred recently in the city heart of Seoul.

Branding it as an inevitable result of the treacherous and corrupt policy of the Kim Yong-sam regime, the analyst says:

Only recently, a string of extra-large accidents, scandals and crime cases such as the collapse of the grand Songsu Bridge and the misappropriation of money collected in taxation by officials of the northern district office of Inchon have occurred in South Korea, rocking the whole society.

All these cases were, without exception, consequences of the anti-popular rule of the Kim Yong-sam group, which brought into glaring light the reactionary and corrupt nature of the South Korean regime.

Kim Yong-sam the traitor croaked with a flourish of trumpet about "clean politics" and "healthy society" after he took office. But big accidents, scandals and crime cases have broken out in an unbroken chain. Being symptoms of the impending downfall of the puppet clique, they remind us of their doom and foretell their miserable end.

The Kim Yong-sam traitor group which spells only disasters and misfortunes to the people must be removed quickly, concludes the commentary.

Commentary Blames Kim Yong-sam

SK1112034894 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 10 Dec 94

[Commentary by Yun Pyong-son: "Who Is Responsible for the Accident?"]

[FBIS Translated Text] The casualties caused by the recent gas explosion in South Korea are increasing. As has already been reported, a huge gas explosion erupted at a base of intermediate valves of gas pipelines located at Ahyon 1-tong, Seoul around at 1400 on 7 December. According to the collected data as of 9 December, four people died and 77 others were injured in the accident, and nine people have been reported missing. Also, some 40 nearby buildings and some 20 automobiles were burnt or damaged, and windows of buildings within a 300-meter radius were shattered by the explosion.

Many victims who were suddenly left homeless by this accident are reportedly passing sleepless nights in an elementary school at Ahyon-tong, shivering with cold, and until now, have not received any compensation or help. Reporting this accident, a South Korean broadcast expected the causalities will increase.

A series of recent major accidents in South Korea have killed or deformed many people, and people are shivering with anxiety and fear.

In October, a 50-meter section of Songsu Bridge over the Han River collapsed, killing some 20 people and injuring many others. Several days after the bridge collapse, a fire took place at a tourist boat cruising on the waters, killing or injuring about 60 people. The gas explosion followed an overpass collapse in Seoul on 20 November. Accidents are constantly occurring in the sky, land, sea, and even underground.

By the way, why are such huge accidents that result in the loss of many lives occurring in succession in South Korea? And who is responsible for this? The constant accidents in South Korea are products of the human life-neglecting policy and irresponsibility of the traitorous Kim Yong-sam regime under a mask of civilian government. This is proved by the actions taken by the puppets following the collapse of Songsu Bridge.

As was reported, when the Songsu Bridge collapsed, the puppets uttered that they would never let such an accident occur, saying that they were sorry and deeply aware of their responsibility. Then, they fired some lower-level fellows, shifting the responsibility for the bridge collapse to them, and made a fuss about carrying out safety inspections of various public facilities in an effort to take measures to prevent accidents. However, all this was nothing but a tactic aimed at quelling the public swell caused by the large calamities.

In fact, while blaring as if he would do something to prevent loss of lives, the Kim Yong-sam ring was madly engaged only in irregularities, suppression of people, and North-South confrontation, and took no measure to prevent accidents.

The recent gas explosion was a man-made calamity resulted from the puppet clique's corruption and inability. Accordingly, traitor Kim Yong-sam himself is responsible for the accident. It is natural that social ills are rampant in a society under reactionary rule [pandong tongchi].

Various crimes—such as massive brigandish incidents, killing incidents, human sales, sex offenses, and drug abuses—and huge accidents that are occurring in succession in South Korea are the aftermath of the traitorous rule of the Kim Yong-sam ring that has made social ills prevail by bringing about confusion and disorder all over the society.

It is usual for a ruining household to be faced with disasters. The series of accidents in South Korea shows strong signs of the Kim Yong-sam regime's ruin.

As the South Korean people say, traitor Kim Yong-sam is not able to prevent accidents. If this man continues to be in power, the South Korean people will face a greater disaster. The only way for them to avoid frequent disasters is to remove traitor Kim Yong-sam from power.

The puppet traitor should immediately step down from power, answering for all those accidents, in accordance with the people's unanimous demand.

ROK Criticized for Handling of 12 Dec Incident

SK1212042894 Pyongyang KCNA in English 0409 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—Voices urging the punishment of those involved in the "December 12 incident" are growing louder in South Korea, a Seoul-based radio reported.

About 3,000 students affiliated with the South Korean Federation of General Student Councils staged a demonstration in Seoul on December 10, protesting the suspension of prosecution against those involved in the "December 12 incident".

The demonstrators sharply condemned the Kim Yong-sam group for covering up those involved in the "December 12 incident", instead of a legal action. They strongly demanded that the prime movers of the incident including Chon Tu-hwan and No Tae-u be immediately indicted and judged.

Meanwhile, members of ten youth organizations including the youth society under the civil federation for the practice of economic justice made public a "declaration of South Korean youth" in Seoul on December 9 in regard to the prosecution's respite of indictment against those involved in the "December 12 incident", and demanded that those involved in the incident be indicted at once for the establishment of national spirit and democratic reform.

Called Bloody Military Rebellion

SK1212105994 Pyongyang KCNA in English 1012 GMT 12 Dec 94

["Kim Yong-sam Regime Succeeds Military Dictatorial Regime, NODONG SINMUN"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—The "December 12 incident" in South Korea in 1979 was a bloody military rebellion staged by such new military fascists as Chon Tu-hwan and No Tae-u as a prelude to their seizure of power at a time when "the spring of democratisation" was approaching after the assassination of Pak Chong-hui, the "yusin" dictator of the South Korean opposition parties and dissident forces are strongly demanding the punishment of the chief culprits in the December 12 military coup, branding it as a "rebellion for seizing power". [sentence as received]

The traitor Kim Yong-sam himself had stated that it was "a coup- like incident". Wrapping up the investigation into the "December 12 incident" recently, the Kim Yong-sam group defined it purely as a "rebellion within the military" and decided to suspend the indictment against the chief culprits including Chon Tu-hwan and No Tae-u and others involved in the incident.

NODONG SINMUN today brands this as an anti-democratic, anti- nation criminal act of patronising and saving those who inflicted disasters upon the people.

In an article titled "Fascist Regime That Took Over Baton From Military Dictatorial Regime," the author says that the Kim Yong-sam group by pardoning the chief culprits of the December 12 military coup, not putting them in the dock, made it self-evident that though they are in plain clothes, they are little different from the dictators in military uniforms.

With the Kim Yong-sam group left alone, the South Korean people can never settle the grudge against the Kwangju massacre in May 1980 nor expect democratic development.

Seoul-Based Radio Condemns Arrest of Student

SK1212102694 Pyongyang KCNA in English 1014 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—The South Korean fascist clique arrested Kim Hyon-chun, chairman of the South Korean Federation of General Student Councils (Hanchongnyon), in Pusan on December 10 and handed him over to the Seoul Metropolitan Police Headquarters a Seoul-based radio reported.

This is an act to totally stamp out the just struggle of students for independence, democracy and reunification.

The heinous act of the traitor Kim Yong-sam clearly showed once again that he is a rude scoundrel who does not want independence, democracy and national reunification.

The Kim Yong-sam group should look straight at the trend of the times and unconditionally release all the arrested patriotic figures and students including the chairman of Hanchongnyon.

ROK Opposition's Criticism of Regime Reported

SK1212042394 Pyongyang KCNA in English 0405 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—Yi Ki-taek, chairman of the South Korean opposition Democratic Party, sharply denounced Kim Yong-sam's "civilian government", according to a radio report from Seoul.

Speaking at a rally called by the Democratic Party on December 10 in the plaza of Seoul Railway Station to urge indictment against those involved in the "December 12 incident," he said: "We denounce in the name of the people the present regime for failing to bring an indictment against the culprits in the December 12 incident, though the expiration of prescription is two days off." "We declare that the Kim Yong-sam regime cannot be regarded as a 'civilian government'", he added.

Yi said "The present regime is a 'civilian' dictatorship inferior to the military 'government'".

At a news conference before the meeting, he stated that the struggle to urge the prosecution against those involved in the "December 12 incident" would be continued.

Kim Yong-sam Group's 'Suppression' Denounced

SK1212115694 Pyongyang KCNA in English 1022 GMT 12 Dec 94

[FBIS Transcribed Text] Tokyo, December 10 [date as received] (KNS-KCNA)—The Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) in a statement on December 8 denounced the Kim Yong-sam group for demanding a penalty against Chairman of the Preparatory Committee for the Inauguration of the South Side's Headquarters of Pomminnyon Kang Hui-nam, a pro-reunification patriot, by invoking the "National Security Law" [NSL].

Pointing out that Kang Hui-nam, who devoted his all to social democratization and national reunification, was a patriotic figure who took the road of northern trip [as received] to show his mourning for the misfortune of the fellow countrymen, the [words indistinct] said his deed was very justifiable and righteous as a member of the 70 million fellow countrymen aspiring after reunification.

Denouncing the South Korean authorities' suppression of the pro- reunification patriots as a move against the unanimous desire of the 70 million fellow countrymen to hasten national reunification, the statement strongly demanded that the South Korean authorities abolish at once the "NSL" antagonizing the fellow countrymen and suppressing the reunification movement and immediately set free the illegally arrested [words indistinct] reunification patriotism.

Newspaper Demands Dissolution of ROK's ANSP

SK1012043194 Pyongyang KCNA in English 0420 GMT 10 Dec 94

["South Korean 'ANSP' Must Be Disbanded"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA)—MINJU CHOSON today demands the dissolution of the South Korean "Agency for National Security Planning" (ANSP), an anti-national and anti-democratic fascist repressive tool working overtime for the fabrication of anti-North cases.

The analyst notes that the Kim Yong-sam group faked up a "brother and sister spy case" through the "ANSP" in an effort to destroy the pro-reunification democracy forces in South Korea and create an anti-reunification climate.

The puppets sought to dampen the atmosphere of detente which had begun to spread over the Korean peninsula and deliver themselves out of internal and external isolation and ruling crisis by cooking up the "case" and kicking up a dust over it, says the analyst, and stresses:

For the democratisation of the South Korean society and the reunification of the country, the "ANSP," the center of vices, must be promptly disbanded and the traitor Kim Yong-sam be removed.

LSWY Releases Statement Against 'ANSP'

SK1112083394 Pyongyang KCNA in English 0813 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—The Central Committee of the League of Socialist Working Youth [LSWY] of Korea released a statement Saturday urging the Kim Yong-sam puppet clique of South Korea to immediately dissolve "the Agency for National Security Planning," [ANSP] the main architect of the anti-reunification, anti-north plots and a group of fascist murderers.

Recalling that the Kim Yong-sam fascist clique let the "ANSP" arrest Kim Sam-sok, member of the Policy Committee of the Coalition of the Anti-Nuke Peace Movement of South Korea, and his younger sister Kim Un-chu, a salesgirl of a department store, on charge of being "spies" of the North, the statement bitterly condemned the "brother and sister spy case" faked up by them as an anti-national crime aimed at destroying national reconciliation and unity and intentionally fostering North-South confrontation.

It has been irrefutably proved that all the "spy cases" reported in South Korea were anti-North plots faked up by the "ANSP", it added.

It demanded that the Kim Yong-sam fascist clique unconditionally release Kim Sam-sok, Kim Un-chu and all other political prisoners and patriotic students and promptly scrap the "National Security Law," an anti-reunification fascist law.

Repatriation of Unconverted Prisoners Urged

SK1212104294 Pyongyang KCNA in English 1019 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—The repatriation of old Kim In-so, Ham Sehwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, is demanded in different countries.

The Kim Il-song Institute of Agricultural Science of Guinea in a letter to the International Committee of the Red Cross expressed astonishment at the South Korean authorities' refusal to allow these old men to return to their hometowns where their families and relatives live and demanded their repatriation to North Korea.

The Zairean Society for the Study of Kim Chong-il's Works in a letter to the Amnesty International said the South Korean authorities, for the reason of the refusal of "ideological conversion", brutally tortured and crippled the war prisoners who should have been repatriated more than 40 years ago under international law, and still refuse to send them back to their hometowns where their flesh and blood are awaiting them. "The South Korean authorities are criminals who must face a stern judgement by the world community," it stressed.

Manju Ratna Sakya [spelling of name as received], chairman of the Nepal Association for Human Rights and Social Justice and president of the Nepal Journalists Association, in a statement said that it is a part of the anti-DPRK policy that the South Korean authorities are keeping them under [word indistinct] and it is an open challenge to the Geneva Convention on Human Rights.

He strongly urged the South Korean authorities to send them back to the northern half of Korea as demanded by the idea of human rights and social justice.

Foreign Media Urges Removal of 'Concrete Wall'

SK1112082294 Pyongyang KCNA in English 0804 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—Peruvian and Malian news media issued articles demanding the removal of the concrete wall in South Korea.

Radio Programas of Peru said that His Excellency Kim Il-song, the great leader of the Korean people, had dedicated his all to the reunification of the country in his lifetime.

The radio said:

If the reunification of Korea is to be realized, the obstacles lying in the way of reunification should be removed. One of them is the concrete wall built by the South Korean authorities. This wall is a symbol of national division and confrontation and an obstacle to Korea's reunification.

The South Korean authorities should pull down the concrete wall at an early date and unconditionally accept the proposal for founding the Democratic Confederal Republic of Koryo advanced by His Excellency Kim Il-song.

The Malian paper LA GRIPPE in a commentary demanded that the concrete wall dividing Korea into two be demolished.

Hyon Chun-kuk Meets With PRC's Hu Jintao

SK1112103494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 10 94

[FBIS Translated Text] On 8 December, Comrade Hu Jintao, member of the Standing Committee of the Political Bureau and member of the Secretariat of the Communist Party of China, met with Hyon Chun-kuk, director of the International Department of the Central Committee of the Workers' Party of Korea [WPK], and his party who were on a visit to the PRC.

In the meeting, Director Hyon Chun-kuk conveyed the dear leader Comrade Kim Chong-il's greetings to Comrades Jiang Zemin and Deng Xiaoping. He also expressed gratitude to the CPC and the Chinese people for having expressed deep condolences over the great leader Comrade Kim Il-song's death.

In deep gratitude, Comrade Hu Jintao asked Director Hyon Chun-kuk to convey to the dear leader Comrade Kim Chong-il the warm greetings from Comrades Jiang Zemin and Deng Xiaoping, the leaders of the Chinese party and Government, and himself.

Comrade Hu Jintao expressed his deep condolences over the respected and beloved leader's death, saying: The great leader of the Korean people Comrade Kim Il-song's death was a big loss to the Korean people, and a very big loss also to the Chinese people because they have lost their close friend.

He said: There is a traditional relationship of friendship existing between the two parties, the two countries, the two peoples of China and Korea. At the present moment, under the complicated international situation, to consolidate and strengthen the relationship of friendship and cooperation between China and Korea is not only in the basic interest of our two parties, two countries, and two peoples, but is also of great significance to promoting the peace and stability on the Korean peninsula and the Northeast Asian region.

He went on to say: The Korean people have turned their sorrow of having lost President Kim Il-song into strength and are making efforts so that the various works of the party and the state can continue to develop smoothly, while firmly rallying around the WPK Central Committee headed [subanurohanun] by Comrade Kim Chong-il. We wholeheartedly wish that the Korean people will achieve new success in their great work to build their country, defend the peace and stability on the Korean peninsula, and achieve the independent and peaceful reunification of the fatherland.

Attending the meeting were Chu Chang-chun, our country's ambassador to China, and Li Shuzheng, head of the International Liaison Department of the CPC Central Committee.

Returns From PRC 9 Dec

SK1112102394 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 9 Dec 94

[FBIS Translated Text] Hyon Chun-kuk, director of the International Department of the Central Committee of the Workers' Party of Korea [WPK], and his party, who had visited China, returned home by train on 9 December. They were met at Pyongyang Railway Station by (?Pak Yong-son), vice director of a department of the WPK, and Qiao Zonghuai, PRC ambassador to our country.

Japan Denounced Regarding Comfort Women Issue

SK1012144994 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 9 Dec 94

[Commentary by Kim Ho-sam: "The Japanese Authorities Should Have Sincere Attitude"]

[FBIS Translated Text] The Japanese Government authorities are persistently plotting to avoid resolving the settlement of the war comfort women issue.

According to a report by MAINICHI SHIMBUM dated 7 December, it has been disclosed that concerned Japanese Foreign Ministry officials had intentionally concealed the final report announced by the International Lawyers Association—recognized as the highest authority of international human rights law. Therefore, commotions are now being kicked up in Japanese social circles.

According to MAINICHI SHIMBUM, the International Lawyers Association issued a final report on 22 November, demanding compensation for the war comfort women, but concerned Japanese Foreign Ministry officials insisted that such a document had not been submitted to the Japanese Government. The civil organizations related to the war comfort women issue strongly protested to the Japanese Government. As a result, the relevant section chief of the Japanese Foreign Ministry stated they received the document on 23 December, but it had not been properly dealt with within the ministry. Therefore, they could no longer excuse intentionally hiding the document.

Japanese social circles are now denouncing their government, saying that the Japanese Government intentionally concealed information. Also, the International Lawyers Association is immediately sending its investigatory team to Japan to uncover the true situation. It is natural that Japan would receive such denouncement.

As is well-known, during World War II, the Japanese imperialists occupied Korea. During their brutal colonial domination for 40 years, they forcibly arrested approximately 6 million youth, slaughtered approximately 1 million people, and committed the unforgivable crime of enslaving approximately 200,000 women to provide sex for Japanese soldiers. Despite their crime, they have not apologized or provided compensation, even after 50 years have passed since the war broke out.

Indeed, Japan is the only country in the world that failed to liquidate its past wrongdoings following World War II. Germany has already paid war reparations. Because Japan has failed to do so, countries throughout the world have expressed their indignation.

The so-called press statement issued by their prime minister on 31 August is the result of racking their brains about the world people's denouncement. In other words, this is the so-called $1 billion plan for the exchange of peace and friendship, including the exchange of youth with Asian countries for the next ten years beginning next year and the establishment of a center to keep historic material. In fact, this is intended to soothe the growing public opinion of the people of the world, as well as to skillfully evade the war comfort women issue.

Nowadays, it is said that the Japanese Government is fleshing out an idea to establish a civilian fund with an aim to give so-called consolatory money to the former war comfort women. This also is a ruse aimed at deceiving the people at home and abroad by feigning that they are doing something nice with the symbolic consolatory money, and at equivocating the situation by having a civilian organization liquidate the past, instead of doing this at the governmental level.

The Japanese authorities should never try to liquidate its stupendous (?crime), by any means [ottokehana], by establishing a civilian fund—far from trying to compensate for their responsibility in the matter—and by providing a small amount of money.

What the former war comfort women demand is not charity by a civilian fund. Instead of expecting charity by a civilian organization, they demand that the incumbent Japanese Government apologize and make due compensation for their total responsibility.

They have the basic right to do that. A small amount of consolatory money by a civilian organization can never compensate for their trampled human dignity and their lost youth, and for the remaining mental scars.

Instead of trying to evade its responsibility by putting up a civilian organization, the Japanese Government ought to come out in the foreground to apologize and provide compensation.

Just because of this, as previously mentioned, in its final report issued on 22 November, the International Lawyers Association urged the Japanese Government to take an urgent measure to make due compensation to the war comfort women with legal responsibility.

This notwithstanding, they have been found to have concealed a document of the international organization. This enables us to easily perceive the meanness [chaktae] and moral baseness of the diplomacy of Japan, which is boasting of being a law-abiding country.

Japanese Ministry of Foreign Affairs authorities remarked that it is not desirable for a government to comment on a document distributed by a nongovernmental organization, such as the International Lawyers Association. In essence, this fully shows the Japanese Government's inner thought not to liquidate their responsibility in the war comfort women issue.

With such trickery as this, Japan will only invite more denunciation, far from earning the world people's trust.

With honesty, the Japanese authorities should take a sincere attitude. This will enable them to wipe out the stain left on them by World War II.

Meeting To Support Reunification Held in Japan

SK1012104994 Pyongyang KCNA in English 1025 GMT 10 Dec 94

[FBIS Transcribed Text] Tokyo, December 8 [date as received] (KNS-KCNA)—The 13th national meeting of the Movement for Supporting Korea's Reunification was held in Chiba, Japan, on December 3 and 4.

Delegates of Japanese solidarity organisations and people of different strata participated in the meeting sponsored by the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea and the Chiba Prefectural Executive Committee of the national meeting. First Vice- chairman Yi Chin-kyu, Department Director Kim Tae-hui and other officials of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) were present on invitation.

The participants paid a silent tribute to the memory of the great leader President Kim Il-song.

The meeting was addressed by Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, on behalf of the sponsor side; and by Fukuhei Ichikawa, chairman of the Chiba Prefectural Executive Committee of the national meeting and deputy head of the team for investigation into the forcible drafting of Koreans; Kiyoshi Koiwai, chairman of the Chiba prefectural headquarters of the Japan Social-Democratic Party; Yi Chin-kyu, first vice-chairman of the Central Standing Committee of Chongnyon; and Teruko Kawahara, secretary general of the Chiba prefectural Women's Association for Solidarity with the Korean Women.

Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, in his keynote report said that it was very bitter pain that President Kim Il-song who had played the most active role for the peace and reunification of Korea passed away.

He said he visited Pyongyang some time ago and saw the Korean people changing the grief into strength and courage and rising up for the development of Korean-style socialism and the great unity of the whole nation for the reunification of the country, singleheartedly united around Mr. Kim Chong-il.

Predicting that the relations between Korea and the United States will advance toward normalization step by step, though there are still some turns and twists, he said the normalization of the DPRK- U.S. relations, as a change after the Cold War, will contribute to the stability and prosperity of Northeast Asia.

He demanded that the Japanese Government understand the situation resulting from such a change.

He demanded that the United States refrain from using arms and posing military threat in the Korean peninsula as it promised in the DPRK-U.S. agreed conclusions and honestly implement the DPRK-U.S. agreed framework.

He demanded that the Japanese Government respect the DPRK-U.S. agreed conclusions and agreed framework, actively cooperate in their implementation, promote the resumption of the negotiations for the normalization of Japan-Korea relations without precondition and, at the same time, make clear the fact of and responsibility for the war of aggression and colonial domination and make apologies and compensations for them.

The South Korean "Government", he urged, should respect the DPRK- U.S. agreed conclusions and agreed framework, stop all military exercises, scrap the "National Security Law" at an early date, pull down the concrete wall and immediately release the political prisoners for great national unity and peaceful reunification.

He called for lifting the Movement for Supporting Korea's Reunification to a high tide in all parts of Japan.

The meeting was divided into two subcommittees, which heard reports and speeches on the subjects "The Situation Surrounding the DPRK-U.S. Talks and the Prospect of Korea's Reunification" and "50 Post-War Years and Tasks of Japan".

The meeting adopted an appeal, a letter to the Korean people, a letter of request for an early normalization of the Japan-Korea relations, and a letter to the International Committee of Red Cross and the South Korean Red Cross demanding the repatriation of Kim In- so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners of South Korea, to the northern half of Korea.

The appeal called for waging a movement for solidarity with the Korean people who are advancing in closer unity around Mr. Kim Chong-il and strengthening still further support and encouragement to the Korean people in the struggle for the independent and peaceful reunification of Korea.

Group of Korean Archaeologists in Japan Formed

SK1112082994 Pyongyang KCNA in English 0808 GMT 11 Dec 94

[FBIS Transcribed Text] Tokyo, December 9 [date as received] (KNS-KCNA)—The Association of Korean Historic Archaeologists in Japan was inaugurated in Tokyo on December 8.

Addressing an inaugural meeting, First Vice-chairman Yi Chin-kyu of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) said that the inauguration of the Association of Korean Historic Archaeologists in Japan, the first of its kind in the patriotic work of Chongnyon, is the work to honorably contribute to realising the far-sighted plan of the dear leader Marshal Kim Chong-il to exalt down through generations the immortal feats of the great leader Generalissimo Kim Il-song in establishing the 5,000-year history of the nation from the chuche point of view.

He referred to the activities of the association including the study of the achievements in the historic archaeological field of the homeland and the work of widely explaining and propagandizing them among Chongnyon officials and Koreans in Japan.

Sin Hyon-tong, researcher of the Kashiwara Archaeological Institute in Nara Prefecture, Japan, and member of the Association of Korean Social Scientists in Japan, was elected chairman of the association at the meeting.

The meeting adopted a letter to respected General Kim Chong-il.

Socialist Working Youth Group Departs for Hungary

SK1012105894 Pyongyang KCNA in English 1040 GMT 10 Dec 94

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA)—A delegation of the League of Socialist Working Youth of Korea headed by Choe Hyon-tok, vice-chairman of its Central Committee, left Pyongyang by air on Saturday to attend an enlarged meeting of the coordinating council of the World Federation of Democratic Youth to be held in Hungary.

Gathering Marks Anniversary of Ties With India

SK1112083194 Pyongyang KCNA in English 0809 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—The Foreign Ministry hosted a friendship gathering on the evening of Saturday on the 21st anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of India.

Invited there were Indian Ambassador to Korea Adya Nand Jha and embassy officials.

Vice-minister of Foreign Affairs Choe U-chin and officials concerned were present there.

Speeches were made.

Kim Chong-il Work Studied in Foreign Countries

SK1012043994 Pyongyang KCNA in English 0405 GMT 10 Dec 94

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" has been disseminated and studied in foreign countries.

A joint seminar of chuche idea study groups of India on the work was sponsored in New Delhi by the Asian Regional Institute of the Chuche Idea (ARIJI).

Govind Narain Srivastava, secretary general of the ARIJI, in his speech said:

"The dear leader Comrade Kim Chong-il proved that socialism as a science is still alive in the minds of the people.

"When the former Soviet Union broke up and socialism collapsed in East Europe, the western imperialists miscalculated that the socialism of Korea would not last long. But the reality shows that the socialism of Korea is making a long drive.

"The socialism of Korea is socialism centred on the popular masses, socialism of chuche."

A seminar on the work was held by the society for the study of the chuche philosophy of Conakry University, Guinea.

The reporter and speakers said that His Excellency Kim Chong-il in his work proved with new propositions that socialism is a science.

The socialism of Korea is a model of world socialism, an invincible socialism in which the leader, the party and the masses are single-heartedly united and which is based on a self-supporting national economy.

They stressed that the work is a valuable document which brightly shows the road of socialist construction.

Meetings for explaining the work, lectures and reading sessions on it were organized by the Italian Committee for the Study of the Chuche Idea, the Pakistan-Korea Friendship Association, the Trinidad and Tobago-Korea Friendship and Solidarity Association, the Barbados Committee for Friendship and Solidarity With the Korean People, the national leadership of the Mexican Socialist People's Youth, the Mexican National Council of Working People and the Mexican Committee for Supporting Korea's Peaceful Reunification.

'Famous Work' Reported Abroad

SK1112082194 Pyongyang KCNA in English 0801 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—"Socialism Is a Science," a famous work of the dear leader Comrade Kim Chong-il, was reported by foreign news media.

The Pakistani paper SIND EXPRESS, the Ukrainian paper KOMMUNIST, Kazakh paper SOVETI KAZAKHSTANA, the Tanzanian paper UHURU, the Ghanaian paper GHANA TIMES, the Jordanian paper AL JAMAHIR, the Mexican paper COMBATIENTE and Lebanese magazine AL DOUNYA No. 351 reported his work under the titles "Comrade Kim Chong-il, the Great Leader of the Party and State of Korea, Publishes the Treatise 'Socialism is a Science'" and "Socialism is Alive in the Minds of the People."

Radio Congo said:

His Excellency Kim Chong-il authored many works on the chuche idea and socialist construction.

The work published by him this time is widely read with avidity among a large number of people longing for socialism.

His Excellency Kim Chong-il is the supreme leader of the Korean people.

Kim Chong-il Sent Gift by Syrian President

SK0912041794 Pyongyang KCNA in English 0413 GMT 9 Dec 94

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, received a gift from Syrian President Hafiz al-Asad for the new year 1995.

The gift was handed to the Korean ambassador to Syria by the minister of the Presidential Office of Syria on December 5.

Handing the gift, authorized by the president, the minister said the president wanted the ambassador to convey his best wishes for good health and long life and happiness to Comrade Kim Chong-il on the new year.

Foreign Figures' Praise of Kim Il-song Noted

SK1212043994 Pyongyang KCNA in English 0411 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—"The whole life of President Kim Il-song was that of a great statesman, the most outstanding great man who had devoted his whole life to human cause," said Mozambican President Joaquim Alberto Chissano when he met the DPRK ambassador to Mozambique on December 4.

"Though President Kim Il-song passed away, the cause started by him is being powerfully promoted by Comrade Kim Chong-il, which rejoices and greatly encourages us," he said.

General Secretary of the Communist Party of the Peoples of Spain Juan Ramos, when he met a delegation of the Workers' Party of Korea on December 5, said the two parties had this year deep sorrow at the unexpected loss of Comrade Kim Il-song.

"But there is no fear as the dear leader Comrade Kim Chong-il is carrying forward his revolutionary cause and guiding the party and the state affairs as a whole," he said.

Kim Il-song's Reminiscences Reported Abroad

SK1212041794 Pyongyang KCNA in English 0402 GMT 12 Dec 94

[FBIS Transcribed Text] Pyongyang, December 12 (KCNA)—Reminiscences of the great leader President Kim Il-song "With the Century" was reported by foreign news media.

The Bulgarian paper TRIBUNA printed a portrait of President Kim Il-song and carried contents of Vol. 5 of part 1 the anti-Japanese revolution of the reminiscences under the title "Textbook of Life and Struggle".

Noting that Vol. 5 of part 1 the anti-Japanese revolution of "With the Century", reminiscences of President Kim Il-song, elder of the world revolution, was published in the Democratic People's Republic of Korea in foreign languages, the paper said the reminiscences would be read widely among the people over the world as a true textbook of the revolution and construction and a precious mental pabulum of life and struggle.

Radio America of Nicaragua continues to air the reminiscences.

General Director of the radio Francisco Talabera, before broadcasting the reminiscences, said that President Kim Il-song was a great man of the century who had been infinitely respected by the Korean people and the world people and that his life full of love for the fatherland and the people was a great epic which all people were moved to read.

The Russian paper VETERAN and a Guyanese paper also carried the reminiscences.

Kim Chong-il Sends Gifts to 'Frontrankers' Group

SK1112083894 Pyongyang KCNA in English 0823 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, sent 60th birthday tables and birthday tables [as received] to 57 participants in the meeting of frontrankers in the Chong Chun-sil Movement.

Pak Ki-sul, director of the Sepo County Commercial Management Office, Kangwon Province, and Kim Sok-ho, worker of the Taehung County Public Service Office, South Pyongan Province, received birthday tables on their 60th birthday.

They vowed to spend their remaining years as a true servant of the people in their commercial and public services for the inhabitants in their counties.

Yang Son-hui, worker of the Maengsan County Commercial Management Office, South Pyongan Province, Chang Chong-ok, worker of the Taechon County Commercial Management Office, North Pyongan Province, and others who received birthday tables resolved to actively contribute to improving the people's living standard in the spirit of devotedly serving the people, as they pledged at the meeting, under the slogan "We serve the people!" set by the Workers' Party of Korea.

* 'Revolutionaries' Pledge Support for Kim Chong-il

952C0025A Pyongyang NODONG SINMUN in Korean 21 Sep 94 p 3

[Article by reporters Yun Kye-kun and Kye Song-nam: "The Leader and Our First-Generation Revolutionaries"]

[FBIS Translated Text] The anti-Japanese revolutionary fighters, our first-generation revolutionaries, are the ones who entered the country across rugged Mt. Paektu following the great leader a long time ago.

With the same noble revolutionary spirit which they brought into full play in the days of the anti-Japanese war, they are now going forward at the head of our people, loftily upholding the desires of the deceased fatherly leader.

The honorable old anti-Japanese fighters, the veterans of our revolution, who are leading party members, workers, the Korean People's Army [KPA] officers and men, youth and students on the one road of loyalty no matter where they are—in front of the great leader's bronze statute where the air is filled with the feelings of infinite reverence and admiration; at every site of socialist construction where the spirit of innovation is soaring sky high; and at every sentry post in the forefront of national defense where matchless strength is bubbling up like a fountain.

What is making these fighters tick—the veterans who are implanting the spirit of Mt. Paektu in the minds of all of us while vigorously inspiring our people to the implementation of the teachings of the deceased great leader with their shining examples of loyalty?

The great leader Comrade Kim Il-song taught as follows:

"Our anti-Japanese revolutionary fighters should support and assist Comrade Kim Chong-il well in the same way they have been loyal to me until now, in order to fulfill the cause of socialism, the chuche cause of revolution, to the end."

The dear leader Comrade Kim Chong-il gives prominence to them as veteran, senior fighters of our revolution, cares for them in their work and in their daily living with parental affection, and let their lives as revolutionaries shine for ever. Their unswerving faith and determination to fulfill the teachings of the deceased great leader to the end by upholding the leadership of the dear leader—this is what makes these anti-Japanese revolutionary fighters tick.

In retrospect, how infinitely lofty and profoundly righteous the love and benevolence the dear leader has bestowed upon the anti-Japanese revolutionary fighters!

On the occasion of New Year's Day some years ago, the dear leader was so kind as to send gifts to the homes of anti-Japanese revolutionary veterans. Afterward he said something very significant to the functionaries.

Stressing the importance of taking good care of the anti-Japanese revolutionary veterans, the dear leader warm-heartedly said: You should take full notice of the veterans of the revolution. Only by doing so can the party become a party of continuity. The continuity and customs of the party are important. In other words, to take notice of the veterans and respect them should become a habit of party work.

When the ethos of respecting the old revolutionaries loyal to the leader and giving them prominence takes hold continuing from generation to generation and becomes an established practice and custom of party work, the party will be able to consolidate itself more firmly as the vanguard of the revolution, with its members united around the leader with one mind and unswervingly carry on its bloodline from generation to generation. That is the lofty idea of the dear leader.

The dear leader regards it as an important task for us to respect the anti-Japanese veteran fighters and give them prominence in learning from the living examples of loyalty and the indomitable revolutionary spirit they demonstrated in the pioneering period of the revolution and carrying on the tradition of unity and solidarity. With this perception, he is showing all kinds of affection and consideration to the veteran revolutionaries.

Upon receiving the report that an anti-Japanese revolutionary veteran suddenly lost his consciousness and was carried to a hospital, the dear leader said that he had decided to put off all meetings until the patient regained consciousness, and even postponed the scheduled meeting of the Political Bureau of the Party Central Committee. He personally called the hospital many times while anxiously waiting for the patient to regain consciousness. When another anti-Japanese revolutionary veteran underwent major surgery, the dear leader observed the operation saying that old veterans would give strength to our party just by sitting beside him. He clasped a hand of the patient firmly to reassure him until the long operation was over...

Indeed there is no end to the stories about how the dear leader has treasured and cared for old anti-Japanese fighters so that luster might be added to their lives.

Cherishing deep in their hearts the leader's infinitely lofty love and warm affection for them, the kind which can never be found in any other country, our veterans of the anti-Japanese revolution are following the leadership of the dear leader Comrade Kim Chong-il with one mind of loyalty by dedicating their cleanest conscience and sense of obligation to him. They stand in the forefront of the struggle to implement the teachings of the deceased great leader.

It was on 18 July when the whole country was overwhelmed by sadness and deafened by the sound of mourning.

On that day anti-Japanese revolutionary veterans visited the mourning room in the Kumsusan Assembly Hall to express their most profound sorrow before the soul of the departed great leader. Coming out of the room, they gathered together in one place as if they had made a previous promise. They are now so old that they are leading a leisurely life thanks to the solicitude of the party. The teachings the great leader had given them when he was alive came to their minds more warmly than ever before, awakening them to a deep sense of self-consciousness.

"The dear leader is leading our people to convert their sorrow of today into strength and courage so that they may loftily uphold the teachings of the deceased great leader.

"When he was alive, the fatherly leader so kindly taught that the anti-Japanese revolutionary fighters should lead all others in upholding the leadership of the dear leader. Let us all cherish the lessons of the deceased great leader deep in our hearts and take the lead in upholding the lofty determination of the dear leader."

With these warm words Comrade Pak Chong-suk began her talk. While listening to her, the veterans of the revolution at the gathering recalled the important teachings the great leader gave them on the glorious occasion two years before when they had the honor of meeting him.

The great leader called anti-Japanese revolutionaries to his side whenever an occasion arose, saying he wanted to see the comrades in arms who fought with him in Mt. Paektu. He met them again on 13 March 1992, during which he told them that it is most important to support the leadership of the dear leader Comrade Kim Chong-il with loyalty in order to carry the cause of socialism through to completion, and kindly taught them that anti-Japanese revolutionary fighters should take the lead and become a model in supporting Comrade Kim Chong-il with reverence. On that occasion the fatherly leader told them that anti-Japanese revolutionary fighters are the honorable first-generation revolutionaries who explored and developed the chuche cause of revolution with him. He told them that the anti-Japanese revolutionary fighters, the veterans of our revolution, should inspire the growing generation to support and follow their leader with sincerity by showing them practical examples.

Ruminating over the great leader's teaching, revolutionary veterans were burning with the sole desire to find ways to awaken the people out of their deep sorrow and give comfort to the dear comrade leader. Comrades Pak Kyong-suk, Yi Chi-ho, Yi Yong-suk, Kim Hye-sun, and the rest of the gathered revolutionary veterans, despite their old age, proposed that all of them visit socialist construction sites to inspire the workers.

On that occasion they adopted a decision to visit the soldier-constructors who are working on the projects to which the dear leader attaches great importance and make necessary preparations in a hurry. When Comrade Yi Pong-nok, Chon Sun-hui, and Yi Chong-in, as well as Comrades Hwang Kwi-hon and Mun Suk-kon who were associated with the dear leader in the early stage of the revolution, went back home, they and their families set about preparing gifts for the soldiers they were going to visit.

Immediately after the central memorial rally was over, they left for a construction site to deliver the gift items to the soldier-constructors. The day was one of the most sultry days of the summer. But Comrades Cho Tong-uk, Chon Mun-chin, Yu Ung-sam, Ko Hyon-suk, and old revolutionary fighters in their 80's took the lead by asking themselves: Why should we care for our own selves when the great leader has passed away?; Would we be still called the fighters who know how to be faithful to their obligations if we were to fail to participate in the task intended to follow the wishes of the dear comrade leader?

Indeed the hearts of the revolutionary veterans on their way to the socialist construction site were overflowing with the warm feelings of clean conscience and a sense of obligation to repay the dear leader's love and affection as demonstrated by his desire to give prominence to them as veteran and senior fighters of the revolution.

The soldier-constructors were moved by the first group of anti-Japanese veteran revolutionaries to visit their construction sites since the great leader passed away.

Comrade Pak Chong-suk was the first to speak with an excited voice before the unit commanding officers and enlisted men at the construction site. She said:

"We came here rushing to see you, comrades, in the sadness over the loss of the fatherly leader whom we trusted like heaven and whom we followed like the sun. However, comrades! Let us wipe off the tears and call up courage. Standing at the head of our column is Gen. Kim Chong-il, the great leader. Gen. Kim Chong-il is our great leader. The supreme commander Gen. Kim Chong-il wants us to convert the sorrow of today to a redoubled strength and courage and bring about fresh upsurges in the revolution and construction.

"Let us all take the lead in upholding the leadership of Gen. Kim Chong-il with loyalty so that we may brilliantly implement the teachings of the deceased leader."

Comrades Kang Wi-ryong, Kim Ok-sun, and Hwang Kum-ok and the rest of the veterans of the revolution on hand at this meeting with the soldiers give them strength and courage, calling upon them to do their best to fulfill their duties as warriors of the supreme commander Gen. Kim Chong-il by standing in the van on the road to the implementation of the teachings of the deceased fatherly leader.

At the sight of the veterans of the revolution who were inspiring them to loyalty and exploits, the soldiers could feel with warmth the infinitely lofty single-hearted loyalty to Gen. Kim Chong-il that our first-generation revolutionaries demonstrated from the days when they looked up the dear comrade leader with profound reverence as the appearance of a bright star over Mt. Paektu. They drew immense strength and courage from it.

"Let us support the teachings of the deceased fatherly leader with arms!"

"Let us complete our assigned militant goals ahead of schedule and make a report of loyalty to the supreme commander!"

The unit commanding officers and men vied with one another to make their pledges again and again in loud voices. As a result, the soldier-constructors of this unit redoubled their courage and performed the feat of overfulfilling the day's target by 200 percent.

The dear leader expressed great joy and satisfaction when he saw the report about the exemplary deeds of the veterans of the anti-Japanese revolution who visited the unit.

The dear leader Kim Chong-il holds the old veterans of the anti-Japanese revolution dear and gives them warm affection and consideration saying that their mere presence gives encouragement to our people.

The veteran revolutionaries redoubled their determination to be infinitely loyal and dutiful to the dear leader, taking pride in having given even a small comfort to him, the leader who is trying to make the priceless honor and political lives of the veterans of the anti-Japanese revolution shine forever.

Comrade Kim Yang-chun, a veteran of the anti-Japanese revolution, who was suffering from an incurable disease for a long time, was on the verge of death during the mourning period. Hearing the sudden sad news in his sick bed, he was unable to suppress the welling tears as he looked up at the portraits of the great leader and the dear leader Comrade Kim Chong-il with reverence. What pained him all the more at that moment was the fact that he was bed-ridden and unable to repay the affection and benevolence bestowed upon him although he should be ahead of all others in supporting the supreme commander Gen. Kim Chong-il in accordance with the instruction of the deceased fatherly leader.

Collecting his spirit, the sick man began to write a letter to the dear comrade leader word by word with a warm sense of devotion.

"... At this saddest moment when we lost the great leader, I and all my family are feeling all the more keenly with tears welling up from our eyes what a great position the beloved and respected supreme commander occupies in the fate and lives of all of us.

"The respected and beloved leader is the eternal heaven and sun in which we entrust the destiny of our entire nation and which we follow as one. Just as no living thing can survive without the sun, so our country, our revolution, our nation, and we all would cease to exist without the supreme commander.

"I earnestly hope that the respected and beloved supreme commander will take special care of his health and well-being for the sake of our country and people and for the completion of the chuche cause of revolution."

After completing this letter, the patient called in his children to give them his last earnest admonition:

"With the great leader having passed away, the dear leader has to take upon himself all the heavy responsibilities of the revolution.

"All of you must support the dear Comrade Kim Chong-il well with reverence. I hope that you will always keep in mind that only by so doing can the well-being of your country and your own future be ensured."

Comrade Kim Yang-chun, who was on the verge of death, spent each day of the period of mourning for the deceased great leader with an immaculate conscience and sense of obligation in this way until he came to the end of his life.

The anti-Japanese revolutionary fighters, our honorable first-generation revolutionaries, are showing the most valuable examples of the single-hearted loyalty and dutifulness by loyally upholding their leader, their helmsman, with an unswerving sense of faith and obligation ever since they fought their way through Mt. Paektu in stormy weather during the anti-Japanese war..

The lofty wishes of the deceased fatherly leader will burst into bloom beautifully and bear great fruit in this land as our second, third, and fourth generation revolutionaries brilliantly carry on the tradition of loyalty from generation to generation by following the noble examples of these veteran revolutionaries, with a burning desire to be loyal in the heart of each and every one of them.

Kim Chong-il Sends Thanks to County Secretary

SK0912125794 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 6 Dec 94

[FBIS Translated Text] The dear Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, sent thanks to Kim Tae-won, responsible secretary of Onchon County party committee, who sent his wife to a cooperative farm and set an example in supporting the People's Army. Responsible Secretary Kim Tae-won has worked at Onchon County party committee and is highly trusted by the party. In January 1993, he sent his wife to Up cooperative farm as a farmer and divided the family of the functionaries of the county party into units. He helped and led them to overfulfill the grain production plan by 28 percent. This alone granted them the honor of receiving a thanks message from the dear comrade leader.

Not content with this, he set an example by actively arousing functionaries, including the functionaries of the county party, to come forward to the work to support the People's Army. This year, the county produced more pork than was planned and sent it to People's Army units. Soldiers guarding the land of the country were encouraged.

The dear leader Comrade Kim Chong-il received the report on the deeds of the responsible functionary of

Onchon County party and highly appraised him as a good comrade. A meeting to convey the dear leader Comrade Kim Chong-il's thanks was held in Onchon County. Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and responsible secretary of South Pyongan Provincial Party and chairman of the People's Committee of South Pyongan Province; functionaries of county organizations, including the county party committee; and working people attended the meeting.

The thanks message of dear Comrade Kim Chong-il, the great leader of our party and people, was conveyed by Comrade So Yun-sok. Comrade Kim Tae-won, responsible secretary of the county party, and other attendees discussed their resolve. The attendees were filled with the lofty revolutionary zeal to repay the great trust and love of the dear comrade leader with loyalty by strengthening the might of the single-hearted unity of the leader [suryong], the party, and the masses by all means and by further glorifying the popular masses-centered socialism of our own style.

Documentary Film on Kim Il-song Released

SK1012105794 Pyongyang KCNA in English 1036 GMT 10 Dec 94

[FBIS Transcribed Text] Pyongyang, December 10 (KCNA)—"The Great Leader Comrade Kim Il-song Will Always Be With Us", part 4 of the documentary film "The Great Leader Comrade Kim Il-song is Immortal", has been released.

The film shows the looks of the Korean people honoring the memory of the fatherly leader, with great longing for him, till the hundredth-day memorial services after the end of the national mourning period.

Though the national mourning period ended, the period from the day of July when the whole country choke into wailing in bitter grief, the Korean people spend days and nights in tears, unable to repress the pain, recollecting with reverence the undying revolutionary feats performed by the respected leader for the motherland and the nation.

The president energetically worked without a day's rest for the prosperity and development of the country, the freedom and happiness of the people and for the accomplishment of the cause of global independence in the long period from the day when he embarked on the road of revolution till his last day.

Although he did not feel well in his advanced age of eighties, he gave guidance to effect a great upsurge in agricultural production, leaving his footmarks on the long routes from farm fields in the Mt. Paektu area to the Yonbaek plain adjacent to the demarcation line and, two days before his death, he called a consultative meeting of leading officials in economic sectors to give highly important teachings that should be firmly adhered to in socialist economic construction.

The film shows scenes of the Korean people, with more intense longing for the great father of the nation as the days go by calling at his statues in all parts of the country and honouring his memory with deepest reverence.

Endless streams of people of the whole country—senior party and government officials, working people of all strata, soldiers of the Korean People's Army, students and kindergarteners—flow to the statues of the great leader, tears dropping on the flowers in their hands.

Overseas compatriots and foreigners staying in Korea also call at the statues of the president.

The delegate of the South Korean Federation of General Student Councils who came from South Korea laid a wreath before the statue of the respected leader in the name of the organisation and mourned his death, representing the earnest hearts of the students and all other people of South Korea.

The film shows scenes of a solemn national memorial service held at the Kumsusan Assembly Hall on the one hundredth day after the respected leader President Kim Il-song passed away.

Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army who is the great leader of the Workers' Party of Korea and the Korean people, appeared on the platform of the memorial service.

The film shows the unshakable faith and will of the Korean people to staunchly fight along the straight road of chuche, changing the undescribable sorrow into a thousand- fold strength and courage, with the dear leader at the head of the party, the state and the Army.

The film shows mysterious wonders of nature which longs for the fatherly leader.

It accentuates that our leader was, indeed, a legendary hero and the peerless great man, presenting scenes of twin rainbows hanging in the blue sky above Mansu Hill as if they pray for the soul of the great leader, the great man who descended from heaven, beautiful flowers blooming again reflecting the minds of the Korean people longing for the leader and flocks of white herons hovering over statues of the fatherly leader.

It emphasizes that the fatherly leader will always be the Korean people and the whole party, the entire people and the whole Army will creditably accomplish the cause of socialism, the revolutionary cause of chuche, true to his behests under the wise guidance of Comrade Kim Chong-il, the great leader and great brilliant commander.

Drama Festival Notes Kim Il-song 'Noble Trait'

SK1112083494 Pyongyang KCNA in English 0815 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (KCNA)—The 6th National Drama Festival was held here over December 6-9.

Put on the stage of the festival in which central and local art troupes participated were "Blessing," "Our Father" and 13 other dramas.

Dramatic works showing the noble trait of the leadership of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, their boundless love for and infinite devotion to the people, and depicting working people who are effecting a new upsurge in carrying through the revolutionary economic strategy of the party, true to the behests of President Kim Il-song, and all other dramas deeply impressed the audience for their high ideological and artistic value.

Leaders Attend Chong Chun-sil Movement Meeting

SK1212044994 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 9 Dec 94

[Report on a meeting of Chong Chun-sil movement forerunners held at the People's House of Culture on 9 December—recorded]

[FBIS Translated Excerpts] A meeting of Chong Chun-sil movement forerunners was held in Pyongyang, the capital of the revolution, on 9 December. The meeting of Chong Chun-sil movement forerunners held at the People's House of Culture is a meeting of loyalty which demonstrates our people's boundless loyalty to the party and the leader [suryong] and the devoted service spirit for the people and a historic meeting which provides a new turning point in our revolution and construction. The meeting was attended by Chong Chun- sil movement forerunners and functionaries from central and local party and administrative organs—totalling over 3,000. [passage omitted]

Present at the rostrum of the meeting were Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the State Administration Council; Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan provincial party committee, and chairman of the South Pyongan Provincial People's Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrade Yon Hyong-muk, candidate member of the Political Bureau of the WPK Central Committee, responsible secretary of the Chagang provincial party committee, and chairman of the Chagang Provincial People's Committee; Comrades Kim Ki-nam, Kim Chung-nim, and So Kwan-hui, secretaries of the WPK Central Committee; Comrade Kim Pok-sin, vice premier of the State Administration Council; Comrade Pak Nam-ki, chairman of Pyongyang City Administrative and Economic Committee; responsible secretaries of provincial party committees; responsible functionaries from public organizations; functionaries concerned; model forerunners of the Chong Chun-sil movement; and Chong Chun-sil, two times hero, who is director of the Chong Chun-sil commercial management station. [passage omitted]

Comrade Kim Kin-nam, secretary of the WPK Central Committee, made an opening speech. The meeting began with the singing the song of General Kim Il-song and the song of the dear Comrade Kim Chong-il. [passage omitted]

Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee, made a report. [passage omitted]

Movement Meeting Ends 10 Dec

SK1112144294 Pyongyang Korean Central Broadcasting Network in Korean 2110 GMT 10 Dec 94

[FBIS Translated Text] A meeting of the vanguards [songuja] of the Chong Chun-sil movement ended on 10 December after finishing its work successfully. The meeting was held amid the great interest of the people throughout the country and the greater enthusiasm of all participants. It summed up the success and experience gained in the Chong Chun-sil movement over the past period under the wise leadership of our party and discussed measures arising in further consolidating and developing this movement in conformity with the demands of the developing reality.

Participants in the meeting included Ho Pyong-yong, head of the Songchon County commercial management office; Kim Kyong-ok, head of the Songnim city social food supply management office; Kim Yong-se, head of the management office where Comrade Hwangbo In-san works; Cho Hyon-ui, a leader of Kanae workteam at Maengchon 1 tong in Tongdaewon District; Cho Pong-son, chairman of the Chollima District Administrative and Economic Committee; (Yi Sung-ok), a responsible secretary of the Changdong County Party; Kim Hak-sil, manager of the Kaechon railway commercial service office; Mun Mu- hak, head of an office of the Ministry of Public Security; Yi Chun- ok, a responsible person of the Sonbong Noodle House; Yu Chun-hwa, secretary of the primary party of the Songchongang District general restaurant in Hamhung city; (Cho Kyu-sik), director of the Pyongyang City social food supply bureau; Hong Yong-ok, responsible person of the Chonga shop in Yonan County; Kim Tae-pok, manager of the Kusan District wholesale house; Yi Sun-ae, manager of the Kapsan forestry goods workshop; An Hwang-kap, manager of the Songjin Steel Complex; Hwang Chong-sun, manager of Hyesan City vegetable and foodstuff procurement management office; Kim Taek-su, chairman of the Kumgang County Administrative and Economic Committee; Pak Ho-chan, a responsible person of the Kaechon City daily goods procurement shop; Kong Se-chang, manager of the Changpung County direct sales shop; and Choe Kil-pok, head of the Onsong County commercial management office.

A letter of pledge to the dear leader Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, was adopted at the meeting. Comrade Kim Ki-nam, secretary of the Workers' Party of Korea Central Committee, delivered a closing speech. The meeting of the vanguards of the Chong Chun-sil movement has become a meeting of loyalty that demonstrated a high sense of ideological and the spiritual world of our functionaries and working people who are boundlessly loyal to the cause of the party and the leader [suryong] and to the socialist cause; as well as a historic meeting that created a turning point for making our people's life become more abundant and civilized in conformity with the nature of a socialist society.

Working People Urged To Display Self-Reliance

SK0912104194 Pyongyang KCNA in English 1021 GMT 9 Dec 94

["NODONG SINMUN Calls For Thorough Implementation of Party's Revolutionary Economic Strategy"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 9 (KCNA)—NODONG SINMUN today appeals to the party members and the working people to fully display the revolutionary spirit of self-reliance and hard struggle in the efforts to implement the revolutionary economic strategy of the party in hearty response to the decision of the 21st plenary meeting of the Sixth Central Committee of the Workers' Party of Korea.

In a by-lined article headlined "Self-Reliance is Sure Guarantee for Implementation of Party's Revolutionary Economic Strategy" on the lapse of one year since the historic plenary meeting, the paper says:

The plenary meeting held on December 8, 1993 was a significant one that marked a milestone of historical change in fortifying the nation's economic foundations and radically upgrading the people's standard of living by thoroughly implementing the revolutionary economic strategy in keeping with the prevailing situation and the new demand of the developing Korean revolution.

The revolutionary economic strategy of the Workers' Party of Korea advanced at the meeting set it as a major task to carry out to the letter the agriculture-first, light industry-first and foreign trade-first policy in the adjustment period and give a definite precedence to coal industry, power industry and rail transportation, which must advance ahead of other sectors of the national economy, while putting big efforts continuously on metal industry.

To vigorously accelerate economic construction by our own efforts in response to such demands of the party's revolutionary economic strategy, the revolutionary spirit of self-reliance and hard struggle must be brought into full play.

When the officials and working people in all sectors and units of the national economy unconditionally and thoroughly fulfil their revolutionary tasks with their own efforts and technologies by displaying a high degree of revolutionary spirit of self-reliance and hard struggle, they can effect a new turnabout in carrying through the economic strategy and fortify the nation's economic foundations as firm as a rock, thus further exalting man-centred Korean-style socialism.

To display a high degree of revolutionary spirit of self-reliance and hard struggle is an important way for drastically improving the people's standard of living.

Experiences show that when the officials and working people make the maximum use of the given conditions and possibilities, believing in their own strength and bringing into full play the revolutionary spirit of self-reliance, they can constantly increase production everywhere and improve the people's standard of living.

South Korea

IAEA Confirms Pyongyang Observing Accord

SK0912233094 Seoul KBS-1 Radio Network in Korean 2102 GMT 9 Dec 94

[By correspondent Cha Man-sun from Vienna]

[FBIS Translated Text] The International Atomic Energy Agency [IAEA] Board of Governors has determined that progress was made in its activities conducted in North Korea from 23 to 28 November to verify if the North Korean nuclear program had been frozen, said IAEA spokesman David Kyd.

Regarding this, in a report presented to the IAEA Board of Governors meeting that opened on 8 December, IAEA Director General Hans Blix noted that North Korea had shown a constructive attitude toward the IAEA inspection team and reported that the IAEA has accomplished most of its goals concerning the UN Security Council's request for supervision of the freeze of North Korea's graphite- moderated reactors and related facilities.

Director General Blix also stated that the IAEA inspection team could confirm that North Korea was observing [chunsu] the DPRK- U.S. agreed framework because nuclear facilities under supervision were not in operation and that the construction of nuclear facilities were suspended.

North: No Direct Seoul Flight for U.S. Senators

SK1012074094 Seoul THE KOREA TIMES in English 10 Dec 94 p 2

[FBIS Transcribed Text] North Korea aborted the scheduled inter-Korean U.S. military flight to pick up two U.S.

senators, instead allowing them to travel directly from Beijing to Pyongyang aboard a U.S. plane and return to Seoul via Panmunjom by cars, a Foreign Ministry official said yesterday.

Originally, a U.S. military aircraft was to leave Seoul to pick up the two U.S. senators, slated to visit Pyongyang Dec. 11-12 in an unprecedented flight. The plane was to bypass the Demilitarized Zone by taking an East Sea route.

The U.S. government and North Korea have held several weeks of negotiations about diplomatic and security issues involved during the trip by Paul Simon, a senior Democratic member of the Senate Foreign Relations Committee, and Frank Murkowski, the Republican in line to head its subcommittee on East Asian and Pacific affairs.

"They will fly into Pyongyang from Beijing aboard a U.S. Air Force aircraft and stay one night in Pyongyang before coming to Seoul through the truce village of Panmunjom," the official said.

The plane is scheduled to leave immediately after their arrival in North Korea and head for South Korea to prepare for the senators' trip to the next destination, he said, adding that he had no knowledge on which route the plane will take during its flight into Seoul.

The U.S. senators' trip to North Korea received the media spotlight because, once realized, it would become the first military flight into the North since the end of the 1950-53 Korean War. Especially, both sides spent a considerable time to decide the air route linking South and North Korea.

North Korea is one of the senators' destinations on their Asian tour which includes Japan, Taiwan, China, South Korea and Vietnam.

"Murkowski's trip to South and North Korea is aimed at gathering information for the forthcoming congressional hearings on the Oct. 21 nuclear agreement in Geneva, which are expected to take place when the U.S. Congress opens Jan. 4," the official said.

U.S. Republican lawmakers have noticeably shifted their stance on the Geneva agreement in recent days, reflecting that their knowledge on the nuclear accord has substantially improved, he said.

Buoyed by the Republican Party's sweeping victory in recent mid- term elections, Murkowski, Bob Dole, Jesse Helms and other U.S. lawmakers tried to revise the accord which they believe infringes on American interests.

However, they came to realize that a small revision in the package of complex provisions would lead to the breakdown of the hard-fought agreement.

"Now, the Republican lawmakers are diverting their attention to safeguarding the agreement by calling on the North to strictly implement agreed steps," the official added.

During their stay in Seoul, the lawmakers will meet Foreign Minister Han Sung-chu to brief him on the results of their visit to the North and hear Seoul's opinions on how to implement the Geneva agreement, he said. It is not yet clear whether they will meet President Kim Yong-sam, he added.

U.S. Senators Depart Beijing for Pyongyang

SK1112044594 Seoul KBS-1 Radio Network in Korean 0400 GMT 11 Dec 94

[Report by correspondent Yi Tong-sik from Beijing]

[FBIS Translated Text] U.S. Senators Frank Murkowski from the Republican Party and Paul Simon from the Democratic Party departed the Beijing airport for Pyongyang this afternoon aboard a U.S. Air Force aircraft.

Senators Murkowski and Simon said their visits are aimed at researching how the present situation between the United States and North Korea can be improved.

The two senators noted that they attach significance to the fact that the U.S. military aircraft is entering North Korean air space for the first time since 1954, and that they wish to hear about the U.S.-DPRK agreement from relevant officials of the North Korean side. They added, however, that they are not sure whether they will meet Kim Chong-il or not.

Meanwhile, it was learned that they will stay overnight in Pyongyang and will come to Seoul tomorrow.

Arrive in Seoul Via Panmunjom

SK1212062794 Seoul KBS-1 Radio Network in Korean 0600 GMT 12 Dec 94

[FBIS Translated Text] U.S. Senators Frank Murkowski from the Republican Party and Paul Simon from the Democratic Party, who flew to Pyongyang yesterday aboard a U.S. Air Force aircraft, came to our country this afternoon through Panmunjom.

Senator Murkowski and his party crossed Panmunjom at around 1400 [0500 GMT] this afternoon. They will meet Foreign Minister Han Sung-chu and then will pay a courtesy call on President Kim Yong- sam. During the meeting with the president, they will likely explain the result of their visit to North Korea, including the content of the talks with high-ranking North Korean officials from the party and government and the situation in North Korea.

Senator Murkowski and his party plan to hold a news conference for domestic and foreign reporters at the U.S. Embassy in Seoul this evening on the result of their consecutive visits to North and South Korea.

Urged Inter-Korean Dialogue

SK1212085194 Seoul YONHAP in English 0842 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—U.S. Senators who entered North Korea for the first time since its leader's death in July said Monday they urged inter-Korean dialogue but were told the conditions weren't ripe yet.

Sens. Frank Murkowski and Paul Simon, briefing South Korean Foreign Minister Han Sung-chu about their overnight stay in Pyongyang said North Korea expressed concerns on whether Washington would follow through with the Oct. 21 nuclear agreement.

"The Senators emphasized that faithful implementation of the nuclear agreement and progress in inter-Korean relations are important for improvement in U.S.-North Korea ties," Foreign Ministry Spokesman Chang Ki-ho said after the meeting.

The U.S. Senators entered Pyongyang Sunday aboard a military aircraft, the first to fly into North Korea since 1954, just after the Korean War ended.

They met with North Korean Foreign Minister Kim Yong-nam and Parliamentary Chief Yang Hyong-sop and other officials.

"The Senators said the North Korean response about inter-Korean dialogue was that they were willing to resume it but the conditions at present were not right," the spokesman said.

The Senators are the first American visitors to go into Pyongyang after North Korean leader Kim Il-song died in July.

Foreign Minister Han emphasized that both Seoul and Washington must work together so that the terms of the agreement will be actually and specifically carried out.

The Senators promised active influence on the part of the U.S. Congress to harmonize South Korean and U.S. policy objectives regarding the issue, the spokesman said. They further said they will try so that the U.S. policy toward the Korean peninsula will match the interest of both Seoul and Washington, he said.

Say Congress 'Won't Scuttle' Accord

SK1212110594 Seoul YONHAP in English 1051 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—The new Republican-controlled Congress will closely examine the U.S.-North Korea nuclear agreement but won't scuttle its implementation, U.S. Senators said Monday.

Sens. Frank Murkowski and Paul Simon, in Seoul after their North Korean visit, said the new Congress will mean some changes in U.S. domestic policy, but the foreign policy has been "by and large bipartisan."

The changes will be "slight, if any," they said.

The solons had flown into Pyongyang Sunday and crossed the truce village of Panmunjom Monday to come to Seoul. They are the first to visit North Korea since its leader Kim Il-song died in July, a visit they called "brief, historical."

They said they weren't able to meet Kim's son Chong-il, the new de factor leader, who they were told was still in "period of mourning."

The key points of discussion were inspections on North Korea's two undeclared nuclear sites, resumption of inter-Korean dialogue and efforts to find U.S. soldiers missing in action from the 1950- 1953 Korean War, the Senators told reporters.

Asked if their opinion of the Geneva Agreement had changed from their Pyongyang visit, Murkowski said he is "as critical" as he was at a hearing this month.

The inspection on North Korea's undeclared sites has been put off for years, "and North Korea still will have what they were reluctant to show us during that time," said Murkowski.

But on implementation of the accord, he said, "Any efforts to scuttle the agreement, I don't expect any."

Murkowski mentioned his change of opinion about North Korea from this trip, his perception of it as a "unique country, isolated country, tempting to generate from within... in need of foreign exchange, energy, in transition of leadership and consequently in need of assistance."

The assistance, if properly communicated, can ease tension, but there has to be continued dialogue, the Senator said.

They said they delivered a letter to Kim Chong-il via the Foreign Ministry requesting establishment of a joint task force similar to the one set up with Vietnam to find MIAs and were told the letter was reviewed.

The response was that Pyongyang will proceed to work with the U.S. on the matter but that there has to be a great deal more addressed in context and specifics.

They were, however, encouraged by North Korea's "humanitarian sensitivity," they said.

Meet With President Kim Yong-sam

SK1212111794 Seoul YONHAP in English 1109 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—President Kim Yong-sam met the two American Senators who have just been to North Korea at Chongwadae [presidential offices] Monday afternoon.

President Kim exchanged opinions with Sens. Frank Murkowski and Paul Simon on matters of inter-Korean relations and the Korean situation as a whole, Chongwadae Spokesman Chu Ton-sik said.

The two Senators explained about the contents of their talks with senior officials of the North Korean party and administration during their recent visit to Pyongyang as well as about the North Korean situation after the death of Kim Il-song as they witnessed there.

According to the spokesman, President Kim told the American visitors that what is most important for the implementation of the U.S.-North Korea agreement will be close bilateral cooperation between Washington and Seoul based on mutual understanding and trust.

In Pyongyang they asked for a meeting with Kim Chong-il but the request was denied, Sen. Murkowski said.

The two Senators flew into Pyongyang from Beijing Sunday aboard a special U.S. plane and entered South Korea via Panmunjom Monday.

More Reportage on U.S., DPRK Liaison Talks

Agreement on 'Almost Everything'

SK0912231994 Seoul KBS-1 Radio Network in Korean 2100 GMT 9 Dec 94

[YONHAP from Washington]

[FBIS Translated Text] The United States and North Korea held expert-level talks at the U.S. State Department on 9 December on the establishment of liaison offices in Washington and Pyongyang. They will make an official announcement on the result of the talks on 10 December.

It has been learned that the sides agreed on almost everything regarding consular affairs and technological issues for the establishment of liaison offices.

Members of the North Korean delegation stated that they made greater progress in the Washington talks than in the previous experts' talks in Pyongyang in September and that they will have more discussions in the future, if necessary.

Diplomatic sources report that both sides agreed to open small scale liaison offices with five or six members each, to allow most of diplomatic privileges and exemptions specified in the Vienna Convention on consular and diplomatic relations, and to allow imports of communication equipment.

A member of the North Korean delegation said the sides did not discuss in detail when the liaison offices would open but expected that they would be established by next spring.

'Small-Scale' Offices Agreed

SK1012002294 Seoul YONHAP in English 0016 GMT 10 Dec 94

[FBIS Transcribed Text] Washington, Dec. 9 (YONHAP)—The United States and North Korea agreed Friday to open small-scale liaison offices in each other's capitals headed by working-level officials.

Announcing the outcome of four days of experts' talks on exchanging liaison offices, U.S. Deputy Assistant Secretary of State Thomas Hubbard called the negotiations "very cooperative and constructive," saying "considerable progress" was achieved on consular matters and other technical issues involving the opening of liaison offices.

The expert-level talks will be held twice more, once each in Pyongyang and Washington, during the first quarter of next year to discuss pending issues and select liaison office sites, Hubbard said.

If the two sides succeed in resolving these issues and picking sites for liaison offices, the offices may open afterward, he said.

Refusing to speculate on when the liaison offices would be established, Hubbard noted that all pending issues should first be resolved.

No accord was reached on permitting U.S. diplomats to travel freely between Pyongyang and Seoul through the truce village of Panmunjom, according to the deputy assistant secretary.

The liaison office representatives will be the lowest grade stipulated in the Geneva Convention, Hubbard said.

A South Korean Embassy official said the two sides agreed to open small-scale liaison offices, though details have yet to be decided, and to have them run by working-level officials.

'Common Ground' Easily Found

SK1012021694 Seoul YONHAP in English 0207 GMT 10 Dec 94

[By Yi Tong-min]

[FBIS Transcribed Text] Seoul, Dec. 10 (YONHAP)—The United States and North Korea easily found common ground on exchanging liaison offices, giving South Korea hope that inter-Korean relations, linked with the offices' opening, will find a similar breakthrough.

U.S. and North Korean experts' talks in Washington resolved most of the technical issues, such as consular functions and diplomatic privileges and immunity under the Vienna Convention.

The two sides will now go back and forth between their capitals for further talks and to select liaison office sites.

This round of talks, unlike previous expert-level meetings, went smoothly, officials here say, with no disagreement cropping up to defer all other parts of the negotiation.

In meeting earlier on the light-water reactor project, for instance, North Korea raised a series of objections including refusing to accept the South Korean reactor model.

This time around, the U.S. and North Korean negotiators decided to skirt one major obstacle—America's demand that its liaison office members in Pyongyang be allowed to travel freely across the Korean demarcation line—and go ahead with the rest of the issues.

Consequently, if everything goes well, the offices may open by April next year.

South Korea has multiple interests in how the liaison office talks progress. For one, parallel progress in inter-Korean relations is a condition of the office opening.

"There is no set formula on what exactly has to happen in inter- Korean relations in order to meet this condition," said a Foreign Ministry official, "but Seoul and Washington are firm that there has to be development that can parallel the progress in North Korea-U.S. ties, such as opening of the liaison offices."

While the general understanding is the offices will open sometime around April, North Korea still must meet certain criteria including acceptable progress in other experts' talks on the reactor project and disposing of spent fuel rods.

"Unless these criteria are met, the liaison office opening can always be delayed," the ministry official said.

Pyongyang still refuses to resume dialogue with Seoul after the relationship turned sour following North Korean President Kim Il- song's death last July. But if it wants a liaison office in Washington badly enough, it will have to change its mind, officials here say.

American negotiators at the Washington talks made this point repeatedly, they said.

Another interest is the chance to open up North Korea's hermetically sealed society.

"Both the United States and North Korea want to open the liaison offices because they both have their own self-interests," said another ministry official.

North Korea, by opening its door to the United States, can easily gain access to other nations. Some analysts are already predicting active diplomacy by North Korea once the road is laid with Washington.

The United States, on the other hand, can see for itself the goings-on in North Korea through its liaison office. Its ultimate aim is to spur change in the hermit kingdom, to bring it into the international fold.

The two sides' desire for a liaison office exchange may well serve as a catalyst to a host of other issues playing to South Korea's interests.

Progress in Talks Analyzed

SK1212075694 Seoul HANGYORE SINMUN in Korean 12 Dec 94 p 5

[Report by Kim Song-ho]

[FBIS Translated Text] On 9 December, the first-stage meeting of the North Korea-U.S. expert-level talks, held to discuss concrete measures for implementing the 21 October Geneva nuclear agreement, concluded with the Washington meeting on liaison offices.

It has been learned that during the expert-level talks to dispose of used nuclear fuel rods and to establish liaison offices, both sides presented their views on the issues to a considerable extent. At the expert-level talks to dispose of the used nuclear fuel rods, they agreed to extend the period of storage of the fuel rods in cooling tanks by improving the quality of the cooling water through chemical treatment and like measures. During the talks to establish liaison offices, both sides made considerable progress concerning major issues, including the nature and title of the liaison offices, diplomatic privilege for their members, and communications, thus hinting at the possibility of early establishment of the liaison offices.

Contrary to this, during the Beijing talks to support light-water reactors, North Korea persistently refused ROK-model light-water reactors. As a result, both sides failed to reach any conclusion. Thus, they contented themselves with merely sounding out each other's intentions. From the outset, the talks over light-water reactors were a reconnoitering skirmish aimed at sounding out each other's intentions.

North Korea and the United States intend to continue discussions in the future over what they failed to reach agreement on during the first round of expert-level talks. The implementation plan also indicates they will hold a second round of expert-level talks in North Korea in December to discuss disposal of the used nuclear fuel rods.

Although the venue of the second round of expert-level talks to support light-water reactors has not yet been designated, both sides agreed in principle to hold the talks in January. The second round of expert-level talks to establish liaison offices is to be held alternatively in Pyongyang and Washington before next March.

What is left out as an impending question is the issue of implementing concrete measures to extend the storage period of the nuclear fuel rods by improving the cooling waters with the help of a U.S. technological team. The scope of activities by members of the liaison offices and on selecting the sites of the liaison offices also remain as issues that should be resolved.

However, since there is no marked difference in their positions toward these domains, it is likely both sides will present their views on most issues during the second round of expert-level talks. The problem lies with the light-water reactors. It is estimated the goal of the ROK and the United States to supply 'ROK-model' reactors will be ultimately accomplished by leaving the right to choose the reactor model to the international consortium.

It is also likely North Korea will not easily abandon its position to oppose ROK-model reactors in a bid to get more favorable condition in terms of monetary payments.

The North Korea-U.S. agreement in Geneva stipulates that the contract for light-water reactors should be concluded within six months of the agreement. Therefore, it is likely the expert-level talks will seek an agreement by April.

According to the North Korean Constitution, the election of deputies to the 10th Supreme People's Assembly as well as the election of the North Korean President with a 5-year term of office will be held in April. Kim Il-song's birthday is also in April.

To our surprise, the development of the North Korea-U.S. agreement to a new stage after passing the first gateway, and the official succession in North Korea, coincide with each other.

Dailies Review Liaison Talks

SK1012121094

[FBIS Editorial Report] The following is a compilation of an article and two editorials carried in 10 December Seoul vernacular newspapers on the conclusion of the North Korean-U.S. expert-level talks in Washington.

The moderate TONG-A ILBO carries on page 3 a 1,300-word article by Washington-based reporter Yi Chae-ho reviewing the rapidly developing relations between North Korea and the United States. The article reviews the functions of the liaison offices, adding that the opening of liaison offices will eventually lead to the establishment of diplomatic relations, as shown by ROK-former Soviet Union and ROK-PRC relations.

The article notes that the rapid progress in North-U.S. relations has been possible due to the U.S. side backtracking from its previous strategy of linking the improvement in South-North dialogue with North-U.S. relations. The article quotes many experts as sharing the view: "The United States is making haste in improving its relations with North Korea with an ultimate aim to further consolidate its existing hegemony on the Korean peninsula and the surrounding area, or to try not to, at least, lose such a hegemony by drawing even North Korea into its sphere of influence in the future."

The article adds that because the United States has given up its previous strategy of linking South-North dialogue with improvement of North-U.S. relations, the ROK will have to bear a heavier burden because such a strategy had been the most reliable tool of the ROK to attract North Korea to dialogue.

The article concludes that the ROK Government is now faced with a task to link the rapid improvement of North-U.S. relations with South-North dialogue.

The moderate CHUNGANG ILBO carries on page 3 a 900-word editorial reviewing the expert-level talks between North Korea and the United States held in Washington. The editorial predicts that prior to the opening of liaison offices, the United States and North Korea will begin improving relations in a substantial way, for which the United States is supposed to supply North Korea with alternative energy sources within this year, to ease restrictions on telecommunications and financing against North Korea, and to lower trade and investment barriers against North Korea by the end of next January.

The editorial stresses the need to work out ROK's own relevant strategy: "The U.S. side had stated that before U.S.-North Korean diplomatic relations are established, North Korea should improve its relations with South Korea; improve its human rights; withdraw its troops concentrated in the frontline area; discontinue the development of missiles; and give up terrorism. This notwithstanding, we have often seen the United States dilute such principles for its national interests."

The moderate MUNHWA ILBO carries on page 2 a 1,000-word editorial noting the rapidly improving relations between North Korea and the United States. The editorial analyzes that the acceleration of improvement of North-U.S. relations is due, on North Korea's part because "since the substantial collapse of the communist bloc, North Korea has remained isolated, while the ROK Government established diplomatic relations with the former Soviet Union in 1990, and with the PRC in 1992"; and on the U.S. part because "its reconciliation with the Pyongyang authorities is essential for it to secure a foothold for its 'management of a new Northeast Asia.'"

The editorial concludes: "South Korea has no need to rush to make contacts with the North. The fact that the Stars and Stripes will be flying in Pyongyang means that North Korea has opened up. We hope that the ROK Government makes a wise and patient approach to the North. Time is on South Korea's side."

Seoul Informs U.S. of View on North Liaison

SK1112033394 Seoul TONG-A ILBO in Korean 11 Dec 94 p 1

[FBIS Translated Text] It was learned on 10 December that the government has strongly conveyed to the U.S. Government its view that since North-South dialogue has not been resumed, improvement in DPRK-U.S. relations, including the opening of liaison offices in the DPRK and the United States, should not be unilaterally pushed ahead.

A relevant government official said that "expert-level talks between North Korea and the United States for the establishment of liaison offices ended in Washington on 9 December. At the talks, the two sides reached in principle an agreement to complete technical preparations for the establishment of liaison offices by next March. Our government, however, informed the U.S. side of its position that even if preparatory work is completed, the actual opening of liaison offices should be realized considering political conditions, including progress in North-South relations."

The official also revealed that "the timing of the opening of liaison offices between North Korea and the United States will be affected by the progress in North-South dialogue."

North Delegation Head Addresses Koreans in U.S.

SK1012231794 Seoul KBS-1 Radio Network in Korean 2105 GMT 10 Dec 94

[By correspondent Cho Sun-Hyong from Washington]

[FBIS Translated Text] At 0200 [1700 GMT] this morning, the North Korean delegation led by Pak Sok-kyun, the Foreign Ministry's deputy director general for U.S. affairs, that attended U.S.-North Korean expert-level talks, left for Pyongyang via New York after participating in a welcoming luncheon arranged by the Association of Koreans from North and South Hamgyong Provinces.

In a speech at the welcoming luncheon, North Korean delegation head Pak Sok-kyun said he was happy with the successful talks on the establishment of liaison offices and thanked Korean compatriots in the United States who had prayed for the success of the talks.

The welcoming ceremony was held in a Korean restaurant in Washington and attended by some 50 members of the Association of Koreans from North and South Hamgyong Provinces, representatives of pro-North Korean associations in the United States, and cadres of the associations of South Koreans residing in the United States.

Song Chae-kyong, chairman of the Association of South Koreans Residents in Northern Virginia, said: There was a heated discussion on whether to attend the welcoming ceremony or not, and I decided to attend because I think the Korean community in the United States should not be divided in two.

Meanwhile, members of anti-communist groups—including Chon Tae- yong, former head of the Anti-communist League of Koreans Residing in the United States—picketed outside the restaurant where the welcoming ceremony was being held.

N-S Dialogue Link With U.S.-North Ties Viewed

SK1112055694 Seoul TONG-A ILBO in Korean 11 Dec 94 p 3

[Editorial: "The Meaning of North Korean and U.S. Liaison Offices"]

[FBIS Translated Text] The United States and North Korea have resolved most issues concerning the procedures for opening liaison offices, except the timing and several technical issues, including the application of the reciprocal principle on free travel. Accordingly, it has become very likely that North Korea and the United States will soon take practical actions to improve their relations.

A liaison office is the lowest-level diplomatic channel. However, the international political meaning of North Korean and U.S. liaison offices is significant. First, we can expect signs of changes that can put an end to the hostile relations between North Korea and the United States that have prevailed since the Korean war. Although an official establishment of diplomatic relations that requires strict conditions is still far away, the North Korean and U.S. liaison offices will be the important first step toward it.

There is no reason for the ROK to oppose progress in North Korea- U.S. negotiations on opening liaison offices. This is because the ROK respects the North Korea-U.S. agreement reached in Geneva to resolve the North Korean nuclear issue, and because it hopes North Korea will participate in the international community's peaceful and fair games as a responsible member of the international community, outgrowing its former closed and isolated self. We can also hope that the North Korean authorities will wake up to the significance of South-North relations in the new atmosphere, in which the Stars and Stripes fly in Pyongyang and North Korean diplomats breathe the air of Washington.

However, the procedure is in the wrong order. If diplomatic ties between North Korea and the United States and between North Korea and Japan are naturally established after South and North Korea open liaison offices in Pyongyang and Seoul, as they promised in the South-North basic agreement, it would be indeed obeisant to both shape and content. This order coincides with the national desire. However, the North Korean regime, the Kim Chong-il system, is adhering to the position that it will "never" hold dialogue with the present South Korean regime, giving a reason that is too absurd to be cited.

Herein lies the problem. North Korea probably expects that the North Korean and U.S. liaison offices will be established before the end of April 1995. Prior to this, however, at least deputy prime minister-level talks must be held between South and North Korea. North Korea should be aware of the meaning of the article urging South-North dialogue that is included in the Geneva agreement between North Korea and the United States. It should also pay attention to the great political changes in the United States under the control of the Republican Party that does not trust North Korea. In addition, North Korea should carefully watch the international political circumstances, under which even Chinese leaders insist that issues on the Korean peninsula should be resolved by South and North Korea, the parties directly concerned, above all, and that the South and North Korean authorities should reach an agreement on the issues.

The government also has a lot of diplomatic tasks because a whirlpool of changes on and around the Korean peninsula is expected under the situation that it is difficult to pursue the improvement of North Korea-U.S. relations and South-North dialogue at the same time. An effective diplomacy with the four strong countries, including the United States and China, is required. In particular, the government should carefully watch North Korea's moves toward the United States aimed at U.S. conservatives.

U.S. Urged To Consider N-S Business Domestic

SK1012100494 Seoul HANGUK ILBO in Korean 10 Dec 94 p 3

[Editorial: "North-South Transaction Is 'Intra-Zone' Mutual Trade"]

[FBIS Translated Text] Are North-South transactions considered domestic trade? Transactions conducted within a country are considered domestic business, therefore, tariffs are not imposed. External transactions are dealings with foreign countries, thus, tariffs are imposed. Accordingly, how North-South transactions are defined will impact the ROK's dealings in North-South trade and the construction of light-water reactors in North Korea following the U.S.-DPRK nuclear settlement.

In the event North-South transactions are not regarded as intra- zone trade, North-South trade will suffer and the ROK's economic burden will increase markedly. The problem lies in the fact that the United States, the ROK's close ally and the country that led the settlement of nuclear problem with North Korea, has rejected ROK's position that North-South trade is intra-zone trade.

From the outset, the ROK held that North-South transactions are intra-zone transactions, which was expressly stipulated in the 1992 North-South agreement. The North Korean side has also accepted it. Article 15 of the North-South agreement declared that "with a view to promoting unified and balanced development of the national economy and the overall welfare of the whole country, North and South Korea will push ahead with economic exchange and cooperation, including joint development of natural resources and exchange of materials and joint investment as domestic dealings within the nation."

Although the North Korean side is outwardly insisting that it will not carry out government-level trade and economic cooperation, internally it appears to favor implementing trade as intra-zone trade, on which tariffs are not imposed.

Whenever the U.S. side finds the opportunity, it expresses opposition, stressing that "North-South trade is not intra-zone trade." The U.S. side even protested the "rice of love" sent to North Korea by a civilian organization in the South to help North Korea during the famine in 1990. The U.S. side pointed out that this violated the ROK-U.S. rice agreement stipulating that the ROK will not export rice to a foreign country. In a bid to emphasize that this was not intra-zone trade, the United States did not even recognize a donation of rice, which was prompted by humanitarian motives.

The U.S. side feels that if ROK-model reactors are built in North Korea, the relevant ROK business firm should hold separate negotiations with Combustion Engineering Company, the U.S. corporation with a technical tie-up with the ROK, and should pay royalties to this company. This is because the United States regards the building of light-water reactors in North Korea as that in a foreign country.

We are quite embarrassed by the persistent opposition of the U.S. side to accept North-South trade as intra-zone trade. We call on the United States to abandon its selfish principle.

Apart from the "rice of love" issue, the ROK will shoulder all of the burden, a considerable portion of which should be borne by the United States, in support of the light-water reactors. We hope that the United States will learn from the EEC's recognition and active acceptance of the position of then West Germany, which stressed that "trade between East and West Germany is intra-zone trade."

We consider it quite natural that the National Assembly decided to include the declaration of North-South transactions as intra-zone trade in the special law regarding implementation of the World Trade Organization.

North Effort To Attract French Capital Reported

SK1212061794 Seoul SEOUL SINMUN in Korean 12 Dec 94 p 2

[Article by correspondent Pak Chong-hyon from Paris: "Will North Korea Be Able To Attract French Capital?—It Depends on Whether North Korea Will Solve the Debt Problem and Polishes its Image"]

[FBIS Translated Text] North Korea has hosted a meeting to explain investment opportunities in the Najin-Sonbong special economic zone and made other conciliatory gestures toward Western enterprises. How Western enterprises will respond to the North Korean gesture has attracted people's attention.

Some Western enterprises have set their eyes on investment opportunities in North Korea. According to the Paris office of the Korean Trade Promotion Corporation and diplomatic sources, a French oil refinery, Elf [company name as transliterated], has been studying feasibilities for investment in North Korea and will make a final decision early next year.

Another oil refinery, Total [company name as transliterated], has been negotiating with North Korea to participate in the project to expand North Korea's annual oil refining capacity from 2.5 tonnes to 10 tonnes. The French Employers Association reportedly will lead a delegation of French enterprises to study feasibilities for investment in the Najin-Sonbong region. However, the French Government authorities have received no application for such visits.

Experts predict it will not be easy for Western enterprises to advance into North Korea in earnest, because North Korea must first solve some problems before promoting economic cooperation with Western countries and enterprises. First of all, North Korea must solve its problem concerning the debts it owes to France and other Western countries.

North Korea's debts to Western enterprises are estimated at over $2 billion. Most of the debts piled up when North Korea purchased tools and materials from Western enterprises in the latter half of the seventies.

North Korea bought broadcast equipment worth several hundred million dollars from a French electronics company, Thomson, on credit. North Korea reportedly has used the equipment for propaganda broadcasts toward South Korea. It also bought mine excavators worth $100 million from a Swedish company, Astrakof [company name as transliterated], in credit and has failed to repay it. It reportedly used the machines to dig tunnels for southward invasion.

Second of all, North Korea must polish its image. The French export insurance corporation (COFACE) [acronym published in Roman alphabet] classifies North Korea as a most dangerous region, and the French Government does not guarantee trade with and investment in North Korea.

The volume of trade between France and North Korea, though small, has been reduced slightly. The volume of trade was 220 million won (FR1.5 million) in 1992, and it was reduced to 210 million won (FR1.44 million) in 1993.

Nevertheless, North Korea's diplomat in Paris hosted a meeting to explain investment opportunities in North Korea to Western enterprises. This is believed to be North Korea's long-range strategy to prepare for the period after improving relations with the United States. Observers consider noteworthy the fact that the diplomat mentioned a "Chinese development model."

Distribution of Kim Chong-il Figures Reported

SK1112053094 Seoul CHUNGANG ILBO in Korean 11 Dec 94 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] On 10 December a relevant government official said that North Korea has recently sent Kim Chong-il plaster figures all at once to all areas across the country. Thus, it appears that North Korea is intensifying preparatory work for Kim Chong-il's full-scale succession to power.

The official, well informed of North Korean affairs, revealed that "Pyongyang has recently sent Kim Chong-il's plaster figures throughout North Korea, and events to welcome them are held in local areas."

Reasons for Delay in North SPA Session Viewed

SK1012135294 Seoul CHOSON ILBO in Korean 10 Dec 94 p 3

[Article by Kim In-ku of the Research Institute for the Unification of Korea]

[FBIS Translated Text] Whether or not North Korea will convene a Supreme People's Assembly [SPA] session has been the focus of our attention in connection with the question of Kim Chong-il's election as state president. It will be difficult for North Korea to convene a SPA session by the end of this year. The SPA Standing Committee usually announces a session 16 to 20 days before the session is to begin, be it a regular or an extraordinary session. There has been no sign of such an announcement.

During National Unification Minister Yi Hong-ku's recent visit to Germany, he stated to reporters that a SPA session is expected to be convened around March or April next year. If a SPA session is not convened this year, the election of Kim Chong-il as state president will be postponed until next year. Our attention is directed to the "New Year's Eve meeting," which has been held every year in the presence of Kim Il-song, and the "New Year's address," which Kim Il- song delivered himself.

During the "New Year's Eve meeting," young students sang and performed various kinds of songs and dances in the presence of Kim Il-song to show their loyalty to him.

It is proper to note that Kim Il-song attended this meeting, not in the capacity of the state president, but as the "leader [suryong]" and the father [oboi] of North Korean residents. Therefore, even though Kim Il-song has died, it is likely that the next New Year's Eve meeting will be held in the presence of Kim Chong-il, who has already been called "leader [suryong]."

The "New Year's address," which presents the direction of the policy for the coming year, is different in its characteristic than the New Year's Eve meeting. Kim Chong-il has not yet been elected state president and has had no experience in delivering long speeches before the masses. In view of this, it is likely that the New Year's address will not take place or will be presented in writing.

It is difficult to understand, from any viewpoint, how the posts of the heads of the party and state have remained vacant for more than five months in such a simple power as North Korea's. There have been endless rumors that there is an abnormality regarding Kim Chong-il's succession. This notwithstanding, it seems that a delay in Kim Chong-il's official assumption of power is not due to instability in the power structure. It has been learned that Kim Chong-il is presently carrying out regular duties, and no sign of unrest has been detected inside North Korea.

Government officials or experts of the ROK are presenting three or four explanations for the delay in Kim Chong-il's official assumption of power. First, according to the prevailing view, it is because there has not been a decision on the concrete policies that will be pursued in the Kim Chong-il era, and that a personnel restructure has not yet been completely finalized. Although Kim Chong-il is following Kim Il-song's policies in principle, the pace and method of his implementation of policies is different than that of Kim Il-song. In particular, it has been learned that North Koreans hold largely divided views on the opening of "the Najin- Sonbong Free Economic and Trade Zone," the issue which Kim Il-song noted in his last wishes. It has been known that while the State Administration Council economic team is advocating a drastic, speedy opening up, those in the party, military, Committee for the Peaceful Reunification of Fatherland—an organization of the party—are advocating prudence.

The most important issue in personnel restructuring is how to deal with the so-called first generation of revolutionaries, including O Chin-u, minister of the People's Armed Forces. After Deng Xiaoping assumed power in the PRC, he elbowed out the elders of the revolution by placing them in the "Advisory Committee." This notwithstanding, in view of the fact that Deng Xiaoping himself was one of the elders of the revolution, it seems that it will be difficult for Kim Chong-il, a second generation of the revolution, to elbow out those of the first generation of the revolution.

We can imagine the possibility of a power struggle between working-level officials on personnel restructuring. There is the possibility there will be competition to display loyalty and a struggle to hold substantial working-level power among the military elites, the party bureaucrats, and the economic ministerial-level officials of the State Administration Council.

Another reason for the delay in Kim Chong-il's official assumption of power is the handling of Kim Il-song's corpse. At the present moment, it is known that Russian technicians are embalming his corpse in North Korea. It is said that it will take at least six months, even one year to complete the process. In addition, it will take a considerable amount of money to effectively preserve and publicly display his corpse; which, considering North Korea's economic situation, is no simple matter. It is said that the public display of Kim Il-song's embalmed corpse will be timed with Kim Chong-il's official assumption of power.

In the meantime, an analysis shows that Kim Chong-il's health, which has been a continuous subject of discussion, has improved.

DPRK 'Increasing' Surprise Attack Capability

SK1112112494 Seoul CHUNGANG ILBO in Korean 11 Dec 94 p 2

[FBIS Translated Text] The North Korean Army has reportedly concentrated efforts on increasing its surprise attack capability at a time when dialogue for North-South summit talks, as well as the North Korean-U.S. nuclear talks, have proceeded.

According to the National Defense Ministry on 10 December, the North Korean Army increased the number of 240-mm radioactive guns [pangsapo], rocket guns for surprise attack purposes that are very formidable to the ROK Army, from 126 to 166—a 30 percent increase. Also, it is reported that they possess approximately 100 170-mm field guns, known as the "Supergun."

The radioactive guns and Superguns of 43-54 km range are formidable weapons capable of directly firing at targets in Seoul from North Korea. In particular, 240-mm radioactive guns can fire 12 shells simultaneously to destroy one area in an instant.

We believe that a North Korean official made the "Seoul will be a sea of fire" remark during the North-South high-level talks held in the spring based on these weapons.

In addition, it has been confirmed that North Korea is reinforcing its special unit troops, which are normally maintained at reduced-size levels, into units that could operate under a quasi- wartime system; and is concentrating efforts on strengthening its combat capability in preparation for a surprise attack, including the formation of a new Air Force sharpshooting brigade [Konggun chokyok yodan].

North Korea has long-distance missiles, including Scud and Nodong No. 1 missiles, with a range of over 1,500 km. Therefore, all of South Korea is within their range.

Military experts predict that North Korea, which has recognized its limitation in maintaining its existing conventional military capability, intends to maintain the balance of North-South military capability with a strategy of surprise attack using highly efficient weapons.

North Military Delegations Make Foreign Visits

SK1112095194 Seoul TONG-A ILBO in Korean 11 Dec 94 p 19

[From the "North Korean News" column by Hwang Yu-sŏng]

[FBIS Translated Text] North Korea refrained from conducting outside activities after the death of Kim

Il-song, but carried out intense activities in the military field. The targets of North Korea's outside military activities have been limited to pro-North Korean states, including China, Russia, Cambodia, Laos, Vietnam, and Cuba. These activities have been carried out more intensely than its ordinary diplomatic activities and are aimed at consolidating mutual friendship and cooperative relations with these countries based on military relations, thus attracting people's attention.

General Cho Myong-nok, North Korean Air Force commander, recently visited Russia, after visiting Cuba, and people are paying keen attention to the purpose of his visit to Russia.

Prior to this, a delegation of the North Korean Army headed by Choe Kwang, chief of the People's Army General Staff, paid official visits in November to three nations including Cambodia, Laos, and Vietnam. In addition, a North Korean military delegation led by General O Yong, member of the party Central Military Commission, visited China in late October to commemorate the 44th anniversary of the Chinese Army's participation in the Korean war, and held talks with Chi Haotian, Chinese defense minister, thus waging active outside activities.

On the other hand, North Korea's other outside activities have been rather calm since the death of Kim Il-song. The only noteworthy activity was Vice President Pak Song-chol's visit to Lybia in early last September to participate in an event marking the anniversary of Lybia's revolution as a special envoy and Hwang Chang-yop's, party secretary for international affairs, participation in the ceremony marking the anniversary of Cuba's revolution in early November.

Russia's state-run Moscow broadcasting network reported that Cho Myong-nok, North Korean Air Force commander, secretly visited Russia on 5 November, and discussed matters of mutual interest with Russia's relevant military officials. He also observed training of fighters, including the MiG-29 and Sukhoi-27.

North Korean news media reported that Air Force Commander Cho Myong-nok visited Cuba on 15 October [date as received] as head of an Air Force delegation, but did not mention, even a word, about his visit to Russia.

North Korea's most remarkable military diplomatic activity is the military delegation's visit to three Indochinese nations. A military delegation led by Choe Kwang visited Cambodia, Laos, and Vietnam via Guangzu military district in China from 10 to 23 November.

In particular, Choe Kwang's visit was made at a sensitive time when ROK President Kim Yong-sam visited the Philippines, Indonesia, and Australia and held talks at the Asian-Pacific Economic Cooperation forum.

In Cambodia, Choe Kwang had a series of contacts with Norodom Sihanouk, who has had close friendly relations with Kim Il-song; Prime Minister Norodom Ranariddh; and with high-ranking officials including Defense Minister Tie Banh. At the meetings, Choe Kwang pledged invariable friendly and cooperative relations. In Laos, Choe Kwang held talks with President Nouhak Phoumsavan and Defense Minister Choummali Sai-ngason, and visited the Laos armored brigade and military academy, thus consolidating military cooperative relations with this country.

During his visit to Vietnam, Choe Kwang held talks with Do Muoi, general secretary of the Communist Party, and Defense Minister Doan Khue. Choe Kwang also visited Air Force headquarters and a shipyard and a munitions factory, thus demonstrating close military ties.

Observers said that such military diplomatic activities by North Korea are aimed at securing a foundation for international support for Kim Chong-il based on military friendship and good neighbor- relations with pro-North Korean states; at selling conventional weapons in order to earn foreign currency; and at restoring relations with its past supporting forces, including China and Russia.

DPRK's Third 7-Year Economic Plan 'Failed'

SK1012101494 Seoul KBS-1 Radio Network in Korean 0900 GMT 10 Dec 94

[FBIS Translated Text] Analyses has shown that North Korea's third Seven-Year Economic Plan has virtually failed.

According to an analysis by the National Unification Board of the performance of North Korea's third Seven-Year Economic Plan, North Korea's annual average growth rate was 1.7 percent lower than its original goal of 7.9 percent; and its national income reached just 51.8 percent of its goal, thus its per capita GNP was a mere $904.

The total volume of North Korea's foreign trade last year was reported to be $2.64 billion, 52.5 percent of its original goal.

It was analyzed that North Korea's economic plan failed due to the decreased labor force and the worsened financial situation; the setting of irrational economic goals; increased military spending; and difficulty in importing foreign (?capital) and technology due to its isolation in the international community as a result of the collapse of socialist countries, including the former Soviet Union, and the nuclear issue.

NUB Asks Businessmen To Delay DPRK Visits

SK1012033694 Seoul YONHAP in English 0247 GMT 10 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 10 (YONHAP)—The planned visits to North Korea by officials of major South Korean companies, originally slated for next week, will likely be delayed by one or two weeks.

Business sources said Saturday the delay comes at the urging of the National Unification Board [NUB], which believes the visits should be promoted "quietly."

At government request, the firms concerned are rescheduling their trips so they can be made on a staggered basis one or two weeks behind their original schedules, the sources said.

The Samsung business group, for instance, is thinking of putting off its officials' visit to Pyongyang until Dec. 17 or the week after next.

Initially the group planned to have its officials fly into Pyongyang on Dec. 13 aboard an air Koryo plane via Beijing, in the belief that the government go-ahead would come this weekend.

A Samsung official, while saying the delay is due entirely to the government request for a low-key approach, denied earlier reports that North Korea had withdrawn the invitations.

"We haven't received any such notification from North Korea, and I understand other companies planning to visit North Korea haven't received any either," he said.

An official of the Lucky-Goldstar group said no notice had come from the North with regard to scheduled visits.

"Our policy is to promote the visits as initially planned. However, since there should be government permission, we expect our visit could be materialized before the end of the month," he said.

North Reportedly Denies Entries by Foreigners

SK1012073494 Seoul YONHAP in English 0724 GMT 10 Dec 94

[FBIS Transcribed Text] Seoul, Dec.10 (YONHAP)—North Korea recently denied entries into the country by foreigners including South Korean businessmen who had already obtained permissions for the entry into the North while notifying them that they would not be allowed into the North until year-end, said government officials well informed of the North Korean affairs Saturday.

North Korea informed foreigners waiting in Beijing for entry into the North that the North would not let them into the North until the end of the year citing no clear reasons, according to the officials who quoted diplomats in Beijing.

The government officials confirmed several such cases for the past two or three days.

It is not clear whether the temporary ban on entry into the North by foreigners has something to do with the possible opening of the North's Supreme People's Assembly, according to the officials who have observed that the assembly, the North's annual political event, will not be held in December given the political situations in the North.

The North also abruptly revoked the permissions given to South Korean businessmen for civilian level economic cooperation between the South and North, said the officials quoting Beijing sources.

In a related move, North Korean authorities hinted that they would not accept South Korean businessmen into the North within one or two months, according to a Korean-American businessman who recently met with North Korean officials including Kim Chong-u, vice chairman of the North's External Economic Commission, in Pyongyang.

The businessman, currently staying in Seoul, quoted the North Korean officials as saying that they are not prepared for the South- North economic cooperation at the moment.

The North Korean officials showed a negative attitude toward the economic cooperation between Seoul and Pyongyang especially at a government level, he added.

He also said the visits to North Korea by South Korean business leaders including chairmen of business groups will not be made with year-end given the attitudes of North Korean officials.

He, however, said that North Korean officials noted that there would be no problems for South Korean businessmen to enter into the Rajin-Sonbong special economic zone through Tumen, Jilin Province of China.

Six Businesses Allowed To Send Teams to North

SK1012070594 Seoul YONHAP in English 0629 GMT 10 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 10 (YONHAP)—The government on Saturday gave the go-ahead for six corporations to send business teams to North Korea soon.

Accordingly, Lucky-Goldstar may shortly dispatch a five-man team headed by Vice President Ku Cha-ku, Samsung 12 men led by Chairman Kang Chin-ku, Hyundai 10 members headed by Chairman Yi Chung-nim, Ssangyong 12 men led by Vice Chairman Yi Chu-pom, Yongsin Trading two men including President Chong Chin-chan and Taedong Chemical two men including President Ho U-sik.

Further corporate applications for visits to North Korea will be approved in accordance with legal procedures and recent measures taken to boost inter-Korean economic cooperation.

National Unification Board (NUB) spokesman Kim Kyong-ung stressed the need for a guarded but steady approach to economic cooperation with North Korea as Pyongyang still takes an ambiguous and two- tiered stance on the matter. "To put inter-Korean cooperation on the right track, there must be an inter-Korean mechanism backing up such cooperation," he added.

Private-level economic cooperation with North Korea should be conducted according to existing legal procedures and with the agreement of the firms concerned, as well as in a manner that improves inter-Korean relations, he said.

As for reports that Pyongyang had informed Seoul it would not allow South Korean businessmen to visit, Kim Yong-il, a NUB official in charge of inter-Korean exchanges and cooperation, said the government has received no such notice from Pyongyang, nor any news from local business firms.

North Said To Request Business Trip Postponement

SK1012030694 Seoul CHOSON ILBO in Korean 10 Dec 94 p 1

[Report by Kang Hyo-sang]

[FBIS Translated Text] The visit by some ROK business groups delegations to North Korea slated for the end of this year, has been abruptly postponed by the North under the pretext of holding the Supreme People's Assembly [SPA] session.

On 9 December, a high-level official of a large ROK business group said that he has received "a request from the North Korean side to postpone his visit to North Korea until next spring because the SPA will be held soon."

This official, however, revealed that "the North Korean side did not elaborate whether the holding of the SPA has something to do with election of Kim Chong-il as the president. "Nevertheless, representatives of other business groups, including Samsung and Ssangyong, are pushing ahead with the plan to visit North Korea next week via Beijing as scheduled. Working-level officials of business group delegations visiting North Korea held a gathering on 9 December and agreed to mutually exchange information henceforth. Meanwhile, a high-ranking official in Samsung business group revealed that as of the night of 9 December, he had not received any request from North Korea asking him to postpone his visit after North Korea sent him a letter of invitation.

South Technicians Asked To Use 3d Country ID's

SK1212011694 Seoul YONHAP in English 0100 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—North Korea is reportedly asking that South Korean technicians planning to visit for processing-on-commission (POC) business use third-country identification [ID] cards instead of South Korean passports.

Government and industry sources said Monday North Korea has made it clear that South Korean technicians seeking to provide instruction for the POC business, except for joint-venture projects, cannot enter the country with South Korean passports.

Accordingly, business groups such as Samsung, Daewoo and Lucky- Goldstar engaged in POC deals with North Korea are looking into options for sending their technicians to the communist state.

Industry sources revealed the groups are planning to dispatch staff to their Hong Kong branches first and later have them travel to the North with ID cards issued to Hong Kong citizens.

However, Pyongyang will reportedly permit South Korean technicians working in joint ventures to enter carrying South Korean passports. In that case, Daewoo technicians who will oversee a plant at the Nampo industrial complex in a joint venture with North Korea can use their South Korean passports.

Government sources said there have been no applications for technicians' visits to the North although some groups have applied for business people's entry.

In a massive program to boost inter-Korean economic cooperation announced last month, the Seoul government said businessmen and technicians could visit the North to activate the POC business.

Seoul Organization for North Human Rights Formed

SK1112051994 Seoul TONG-A ILBO in Korean 11 Dec 94 p 1

[FBIS Translated Text] "The Headquarters of the Movement for the Improvement of Human Rights in North Korea," (president: Kim Yong-chu, chairman of the ROK Chapter of International Human Rights League) a civilian organization for human rights in North Korea, for the repatriation of separated families and of South Koreans who were kidnapped by and are detained in North Korea, will be officially inaugurated at a general meeting to launch its formation at the President Hotel in Seoul on 15 December.

This organization, composed of 39 leading civilian figures from all walks of life and formed under the support of the National Unification Board, will seek to rouse international public opinion for the human rights issue in North Korea and for the repatriation of South Koreans who were kidnapped by and detained in North Korea. With a view to resolving these issues, the organization will cooperate with international human rights organizations, and will have a role in matters related to the human rights issue.

Polish President Tours Factory; Departs Seoul

SK1012081294 Seoul YONHAP in English 0808 GMT 10 Dec 94

[FBIS Transcribed Text] Seoul, Dec.10 (YONHAP)—Polish President Lech Walesa left Seoul Saturday afternoon, winding up a two-day state visit to South Korea.

Walesa attended a luncheon hosted by business leaders of the country and then made a tour of Daewoo Motor Co.'s Pupyong, west of Seoul, plant before departing the country at Seoul airport where Foreign Minister Han Sung-chu sent him off.

Walesa had a summit meeting with President Kim Yong-sam Friday at the presidential office of Chongwadae to discuss the North Korean nuclear issue and other international situations and agree on the expansion of trade and investment between the two countries and the strengthening of cooperation to jointly advance into third countries.

Ministry Decides on Overseas Koreans' Property

SK1012072894 Seoul YONHAP in English 0617 GMT 10 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 10 (YONHAP)—From next year, Koreans residing abroad will be able to carry out of the country their domestic assets in accordance with the government's phased plans and domestic residents can also take possession of overseas real estate within a limit of 300,000 U.S. dollars.

In addition, daily commercial transactions will be allowed within the limit of 1,000 dollars per case with foreign currencies such as the U.S. dollar, Japanese yen or Deutsche mark in the country between Koreans, and between Koreans and foreigners from 1995.

In meetings of its Financial Industry Development Committee and the International Finance Subcommittee, the Finance Ministry made these decisions Saturday on the four items of its announced foreign currency system reform plan on which action had been reserved, having anticipated they would affect the economy and society due to large inflows and outflows of foreign currency.

As for the carrying out of Koreans' domestic assets, the cash limit for emigration will be increased from 250,000 dollars to 500,000 dollars, and that for investment from 300,000 dollars to 500,000 dollars from next year. Considering that the "act relating to acquisition of land by foreigners and control thereof" in place since last April stipulates that Koreans living abroad should sell off land within three years when they obtain foreign citizenship, the ministry plans to permit such persons to take the domestic-land- disposing money out of the country by stages from next year.

The ministry, however, decided to map out and enforce a limited carrying-out program in consultation with the ministries concerned in the first half of next year to prevent capital flight.

For individuals' overseas investment in real estate, the authorities have decided to grant such investment for asset employment as well as actual consumption within the limit of 300,000 dollars per capita and to additionally ease the limit between 1996- 1999.

At present, over-three-year stayers abroad are able to purchase only an up-to-300,000-dollar house for living while carrying up to 100,000 dollars out of the country. The shortfall is supposed to be made up by such methods as mortgages locally.

As to direct use of foreign currency in the country, the ministry decided to acknowledge it within the limit of 1,000 dollars in daily transactions and to adjust the money limit upward between 1996-1999.

Besides, the ministry decided that it would raise the limit on stock investment by foreigners from the current 12 percent per item to 15 percent next year and more by stages by 1997. In the third stage from 1998-99, the ministry will scrap the limit completely or increase it additionally, the officials said.

Improvement in Over-the-Counter Trade of Stock

SK1012034494 Seoul THE KOREA HERALD in English 10 Dec 94 p 8

[FBIS Transcribed Text] The government will improve over-the- counter (OTC) stock trading next year to facilitate direct financing by healthy small- and medium-sized companies, the Ministry of Finance said yesterday.

For this, institutional changes will be made to enhance public trust in corporations registered with the OTC market and promote active trading.

Currently, 284 corporations, including four commercial banks established recently, are registered with the OTC market where 250,000 shares are traded daily.

Those that have been registered with the OTC market for one year or longer are permitted to be listed on the Korea Stock Exchange without going through the cumbersome process of going public and meeting tight monetary and organizational requirements including 3 billion won in paid-in-capital and five or more years in existence.

Korea Exchange Bank and 23 other corporations have listed themselves on the Korea Stock Exchange after being registered with the OTC market.

The ministry said requirements for registration will be tightened beginning Jan. 1.

Corporations that have been established for three years or longer will be allowed to register when they have 500 million won or more in capital, have both assets and earnings value per share larger than the par value, and if they have both operating and net profits at the end of the business year prior to its registration.

The ratio of debts to assets must be smaller than 1.5 times the industry average.

Currently, those corporations two years old or older and with 200 million won or more in capital are allowed to register with the OTC market.

The securities company managing a corporation's registration, which is required to retain 1 percent of the total outstanding shares for at least one year, will not be allowed to sell the shares back to any of the company's large shareholders.

The Korean Securities Dealers' Association, which manages the OTC market, will put those corporations whose trades are inactive on a watch list to protect investors.

When investments in certain corporations are regarded as risky, those corporations are regarded as risky, those corporations will also be put on the watch list.

Registration will be revoked when a corporation remains on the watch list for two years.

To facilitate trade, a computer network will link securities companies and the OTC trade brokering room, which is placed in the building of the Korean Securities Dealers' Association.

The government will no longer tax dividends paid out by registered corporations to institutional investors, the ministry said, adding that the tax benefit will contribute to active trading in the OTC market.

Research Institute Issues Report on Economy

SK1212084594 Seoul YONHAP in English 0819 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—The South Korean economy will post solid growth of 6.9 percent annually until the end of the century and its current account will enjoy a surplus starting from 1998, a private economic institute forecast.

In a report titled "External Economic Environment Changes and the Prospects for the South Korean Economy" released Monday [12 December] by the Seoul-based Sinhan Research Institute [SRI], an affiliate of Sinhan Bank, the country's Gross National Product (GNP) in the year 2000 is projected to stand at 823.3 billion U.S. dollars, a 2.2-fold rise over projected GNP this year.

Per capita GNP in 2000 will hit 17,593 dollars, up 2.1 times from this year's expected 8,389 dollars, while on a customs clearance basis exports will amount to 177.3 billion dollars and imports to 175.4 billion dollars for a current account surplus of 6 billion dollars, according to the report.

With the rapid activation of direct overseas investment centering on China and East Asia, the volume on an approval basis will increase from 3.5 billion dollars in 1994 to 8.8 billion dollars in 2000 while public development aid to developing countries will grow to 1.65 billion dollars in 2000 from 17.6 million dollars in 1993, the institute forecast.

The SRI predicted that the South Korean economy in the late 1990s will achieve enhanced technology focusing on the heavy and chemical industries and the processing and assembly sectors, while the world economy will see an annual growth rate of 3.2 percent owing to recovery in advanced nations with global trade soaring 6.32 percent over the same period.

East Asia is also set to enjoy high growth of 7.5 percent annually in the coming years with the newly industrialized economies (NIES) including South Korea to record 6.6 percent, the Association of Southeast Asian Nations (ASEAN) 7.2 percent and China 9.9 percent, according to the institute.

As for North Korea, the SRI forecast that it will pursue economic reform and openness in the latter part of the 1990s but refrain from taking drastic economic development programs for fear that political stability would be undermined. North Korea is projected to open diplomatic ties with the United States and Japan sometime in 1996- 97.

With regard to South-North Korean economic integration, the institute envisaged three developmental stages: revamping of institutions and formation of a foundation for economic cooperation between 1995 and 2000: reformation of the North's economic structure and financial assistance from the South between 2001 and 2007: and transition of the North Korean economic system and North-South economic integration.

Kim Yong-sam Hints at DLP Hierarchy Reshuffle

SK1212113194 Seoul YONHAP in English 0904 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—President Kim Yong-sam hinted Monday [12 December] that he would reshuffle the ruling Democratic Liberal Party (DLP) hierarchy only after the party's national convention, which is expected early next year.

The chief executive, however, made it clear that reshuffles of the cabinet and presidential secretariat would be completed within this year.

In a special interview with MUNHWA TV-Radio Broadcasting Corp. (MBC), President Kim said, "There will be no reshuffle of the DLP hierarchy before the party's national convention is held. The sooner the convention is held, the better it will be."

He added that a national convention is necessary to revitalize the ruling party, suggesting that he will reshuffle DLP personnel then in preparation for next year's elections for the heads of local self-governing bodies.

On the possibility of an additional government restructuring in non-economic areas, President Kim said, "I cannot tell at the moment, but I think we will have to think about a government reorganization in the non-economic fields, too."

Commenting on a shakeup of his presidential secretaries, he said, "I have learned very much about the secretaries over the last two years through actual management of them. I don't intend to change all of the secretaries, but I will change some."

Turning to the prospect of a local administrative revamp, President Kim acknowledged its necessity by saying the present local administrative structure is the product of Japanese colonial rule.

He said, however, that "it would be very difficult to make an issue of the system before local elections slated for next year."

These remarks suggest the president is not ruling out an overhaul of the present three-tier local administrative structure if local residents agree. "There are some unnecessary fields and manpower in the local administration, but a reshuffle needs residents' consent," he pointed out.

As to revising the constitution which provides for a single five- year presidential term, he emphasized that no constitutional amendment for that purpose will occur during his term of office.

Referring to the government economic policy allegedly favoring "business tycoons," Kim stated that each business should grow steadily through fair competition rather than reckless expansion. "The concentration of business ownership in an individual is not desirable," he said, adding the government plans to solve the problem through strict application of the taxation administration and fair trade laws.

The president predicted that next year's economic growth rate will be 7 percent and prices will rise 5.5 percent while saying labor-management cooperation is set to emerge as a major economic issue.

Taking up inter-Korean relations, he said that he does not wish to see Pyongyang isolated and that Korean problems will be solved quite naturally when the North's power succession is settled. "An inter-Korean summit will be realized when the time arrives."

President Kim Selects New Prime Minister

SK1212003494 Seoul YONHAP in English 0023 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—President Kim Yong-sam has selected a new prime minister and will formally appoint him on or around Friday, it was revealed Sunday.

A senior ruling camp official said, "President Kim is understood to have selected a new prime minister from among the candidates and will announce his designation around Friday, as soon as the National Assembly disposes of the World Trade Organization (WTO) and government reorganization bills."

"If parliamentary disposition of the bills is not realized as planned due to bipartisan confrontation, however, the designation of the new premier will be delayed somewhat," the source added.

Recommended to the chief executive as candidates for the post are Kim Man-che, chairman of Pohang Iron and Steel Co. who served as deputy premier and economic planning minister, ex-Prime Minister Chong Won-sik and former Agriculture and Fisheries Minister Chang Tok-chin.

In regard to forming a new cabinet, President Kim expressed his intention to transcend political factionalism over the weekend, saying: "Most important are integrity, patriotism in sacrificing oneself for the country, competence and persons fit for the promotion of globalization... my basic position is that there is no need to query about one's past, and that any right person satisfying the government's personnel criteria should be assigned to the right position without discrimination."

Upon his designation of a new prime minister and its approval by parliament, Kim will carry out a general cabinet shakeup involving a deputy premier and the finance-economy minister around Dec. 20, according to sources.

The chief executive also plans to restructure the presidential office and reshuffle his chief and senior secretaries.

Papers Speculate on Upcoming Government Reshuffle

SK1212133394

[FBIS Editorial Report] The following is a compilation of articles from 12 December ROK vernacular newspapers speculating on the upcoming cabinet and party reshuffle.

The conservative CHOSON ILBO carries on page 2 an 800-word article by reporter Hong Sok-chun urging a new foreign affairs and security team with strong negotiation abilities. The article reviews how public criticism has been escalating against the current foreign affairs and security team led by Foreign Minister Han Sung- chu and Senior Presidential Secretary Chong Chong-uk over its handling of the nuclear issue. The article states that, to President Kim Yong-sam, who has devoted 40 years to politics, public criticism is an important factor in judging the capability of his foreign affairs team.

Noting Foreign Minister Han's academic background, the article asserts academic theories have limits in handling the complicated nuclear issue, and urges "a stronger foreign affairs team to ensure the implementation of the nuclear agreement between North Korea and the United States."

The moderate TONG-A ILBO carries on page 3 a 1,100-word article by reporter Song Yong-on. The article notes President Kim Yong-sam is having more unofficial private meetings and telephone consultations with opinion leaders from various sectors rather than with Presidential Secretary General Pak Kwan-yong, who had been frequently summoned during past cabinet reshuffles. The article reports a ruling party official as speculating that the reshuffle is being worked on by an outside task force.

The article states that public concern is focused on the reshuffle of the "big four": the chairman of the Democratic Liberal Party [DLP], the prime minister, the presidential secretary general, and the director of the Agency for National Security Planning. The article speculates that "the presidential secretary general will be from the Democratic faction of the DLP," while the other three will be selected based on their professionalism from a broad range, "irrespective of faction, regional background, or their past dealings with the Fifth and Sixth Republics."

The moderate HANGUK ILBO carries on page 2 a 1,000-word article by reporter Choe Kyu-sik stating that it is "exceptional" for President Kim to reveal the principles of his cabinet and party reshuffle in advance, speculating that President Kim may have already made his decision. The article predicts: "The selections will be made regardless of faction and region, except for the core posts which are expected to be held by the Democratic faction." The article further speculates that an unexpected figure with administrative rather than political capability will be appointed as prime minister. As for the reshuffling of the party, the article expects a small-scale reshuffle and a postponement of the decision on the party chairmanship until the next party congress scheduled for February 1995.

The moderate KYONGHYANG SINMUN carries on page 2 a 1,200-word article by reporter Yang Kwon-mo listing potential candidates for the new cabinet. The articles speculates that "Yi Hong-ku, deputy prime minister and minister of the National Unification Board, is likely to be promoted to prime minister." In case Yi is shifted to the presidential secretary general as rumored, the article lists Kim Chin-hyon, former minister of science and technology; Chang Tok- chin, former minister of agriculture and fishery; Chong Won-sik, former prime minister; and Kim Man-che, chairman of Pohang Iron and Steel Company, as candidates for prime minister.

The article lists Hong Chae-hyong, deputy prime minister and minister of the Economic Planning Board, and Pak Chae-yun, minister of finance, as candidates to head the merged Board of Finance and Economy; Kim Kwang-sok, director of the Military Manpower Administration, is listed as the prime candidate to be minister of defense.

The moderate CHUNGANG ILBO carries on page 2 a 600-word article by reporter Pak Po-kyun quoting a high-ranking ruling party official as saying: "The reshuffle will be announced in the order of the cabinet, presidential secretaries, and the DLP."

The article provides similar speculation about the post of prime minister, and lists Hwang Pyong-tae, ROK ambassador to the PRC, and Han Sung-su, ROK ambassador to the United States, as candidates for presidential secretary general. The article expects most presidential secretaries and the director of the Agency for National Security Planning will also be reshuffled.

Ministries Fail To Meet Restructuring Deadline

SK1012065194 Seoul THE KOREA HERALD in English 10 Dec 94 p 8

[FBIS Transcribed Text] The Office of Supply submitted its restructuring plan to the Ministry of Government Administration by 5 p.m. Thursday.

In fact, the government procurement agency was the only one that met the deadline, out of the total 18 ministries and offices with same obligation under the sweeping administrative overhaul.

Most, including the Economic Planning Board (EPB) and the Ministry of Finance which presented a unified reorganizing plan, arrived at the receiving window well past closing hours on the day. Two of them—the Ministry of Home Affairs and the Ministry of Education—have yet to send theirs, as of yesterday morning.

The involved agencies broke not only the deadline hours but also the main principle set by the government administration ministry in downsizing, according to ministry officials. Most frequently violated was the rule which called for limiting the number of divisions to be placed under a bureau to five and that under a director general-level councilor to three.

For instance, the Ministry of Trade, Industry and Energy, forced to shed more weight than any other agency, defied the rule and placed four divisions each under a councilor within its trade office to be headed by an assistant minister-level official.

The Ministry of Finance also maintained four divisions under each councilor of its financial policy office, saying it is the minimum organization necessary to carry out essential administration. The office will have three councilors replace four bureaus each responsible for financial policy, financial institutions, securities-insurance and international finance under the current system.

Together, the two ministries plan to abolish 26 divisions, compared with 43 divisions to be gone had they strictly followed the ministry of government administration's principle.

The Economic Planning Board will scratch out 15 divisions from its present organizational chart, only one short of the 16 division as stipulated by the guideline.

Other economic ministries and some non-economic ministries which are to be merged or sharply slimmed down in staff also made their respective 11th-hour attempts to "save as many divisions as possible" from what some analysts said the biggest and most shocking administrative revamping in modern Korean political history.

The ministry of government administration, probably under a directive from the Presidential office, will draft a final governmental organization chart by tomorrow after consultations with involved ministries.

It was not known, however, how much of the related ministries' own downsizing plans will be reflected on the final version, officials say. It had been rumored immediately after last week's announcement of the "revolutionary" governmental revamping that Chongwadae had sent down its own detailed restructuring program to division level.

"The ministries are free to reorganize the names and functions of divisions but the overall ceilings have been fixed under which they can maintain organization," sad a high-level Chongwadae official after the announcement.

Considering the huge impact on the bureaucracy and the unexpressed complaints and grudges harbored by affected officials against the blitz move, however, there may be some room for the ministries to keep more divisions along with their authority and function "if they try hard enough," as viewed by an Economic Planning Board official deeply engaged in the board's own restructuring work.

"As I see it, there is little possibility for involved ministries to push through not much of their own plans in defiance of the government administration ministry's guideline," the official said requesting anonymity. "But some ministers are lobbying hard not only to the administration ministry but also to Chongwadae," he said, adding that such efforts may bear some fruits.

Whether such efforts will produce desired results or not, normal business at the government's economic ministries appears to have come to a halt.

"Who would and could continue their ordinary job when they do not know their own fate?" said a section chief at the EPB.

Most economic bureaucrats, while acknowledging that the governmental restructuring is the path to strengthen state competitiveness in the globalized economy, appear not to completely agree with the way it is being promoted, such as its lack of credibility and predictability, as well as the imbalance among different government ministries.

"We cannot understand why the economic ministries, which had been at the vanguard of this country's remarkable economic development in the past three decades, should be the first and most affected victims of the ongoing slim-down drive," another official said.

Some complained about the relative secure positions of even less efficient general administrative ministries, including the ministry of government administration itself now leading the restructuring work.

Although there may be second or third restructuring of other ministries unaffected by the latest move, the scale will be much smaller, they said.

A ranking Economic Planning board official, in both resignation and indignation, reflected the sentiments of most economic officials, saying, "It has been the economic ministries that have led this country's economic growth and its globalization and it will continue to be the economic ministries who will shoulder the future development of the nation."

Court To Rule on Appeal Over 12 Dec 'Coup'

SK1212080194 Seoul YONHAP in English 0743 GMT 12 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—The Constitutional Court rules started Monday [12 December] afternoon deliberation on whether the legal deadline for the prosecution to take action against those involved in "the coup d'etat-like incident" of Dec. 12, 1979, expires on Monday, Dec. 12, 1994, as the prosecution claims.

If the court supports the prosecution's assertion, the constitutional appeal filed by "victims" of the army mutiny, including former Army Chief of Staff Gen. Chong Sung-hwa, Ret., against the prosecution's decision not to indict former Presidents Chon Tu-hwan and No Tae-u and their followers on mutiny charges will lose its validity. This in turn would invite a strong reaction from the opposition camp, which has called for the indictment of the "mutineers," and the victims as well, causing them to shift their attack from the prosecution to the Constitutional Court.

Facing this situation, the Constitutional Court may take "a flexible approach" to this delicate issue, judiciary sources observe.

The point at issue between the prosecution and the opposition camp and the victims is whether or not former President Chon's term of office should be excluded from the statute of limitations in this case: The prosecution is against such an exception while the opposition camp and the victims are for it.

The oppositionists and the victims base their claim on the constitution, which stipulates that the president shall not be charged with a crime during his tenure except for insurrection or treason.

This view is reflected in some textbooks on the constitution used by law schools. Moreover, it is the prevailing view of legal circles in Japan.

But the constitutional provision exempting the president from criminal charges during his term in office is not backed up by rules elucidating such presidential immunity. This is the ground for the prosecution's claim, which has become the predominant view of the bench and the bar.

The Constitutional Court might buy time to make a final ruling on the constitutional appeal by deciding first that the statute of limitations is suspended while it is still pending.

In September last year, however, the court decided by a vote of five to four that the statute of limitations was valid even while the appeal was pending. It is unlikely that the court will reverse this decision at Monday's plenary session.

But some Constitutional Court justices argue that if the Dec. 12 army "mutiny" were taken as "an insurrection," the legal deadline for taking action against "the insurrectionists" would fall in May next year because it must be counted from the day when Kwangju citizens rose up for democracy in May 1980 or when the junta's Special Committee for National Security Measures was organized in the same month to complete "the insurrection."

General O Hyong-kun Political Scandal Discussed

SK1212135194 Seoul CHUGAN CHOSON in Korean 15 Dec 94 p 32-33

[Article by Wu Chong-chang: "A Typical Wartime General Called 'Gorilla'"]

[FBIS Translated Text] We have obtained the full text of the farewell speech delivered by O Hyong-kun, former vice commander of the First ROK Army and center of the "O Hyong-kun scandal," at the farewell ceremony marking his departure from the post of president of the Third Military Academy. Several parts of his farewell speech may appear political, but opinions in and outside the military assess his speech as a self-accusation of one of the incumbent generals.

An Army general who read his speech afterwards stated: "His expression is rough, but he did not directly criticize the head of the military. The first half of his speech stresses the sense of crisis within the military, which is shared by every soldier; the latter half presents his own ideas for resolving the crisis."

The general added: "Through the speech he wrote himself, General O intended to urge newly-commissioned second lieutenants who will soon face enlisted men not to try and read the minds of the lower or upper ranks, but to act like a stout soldier. It is wrong for military leaders to disregard his true intentions and to label it as political remarks made in front of the cadets."

Whatever the reason, General O filed his application for discharge on 3 December after being released from his post by military leaders as a result of his speech. Should the application be approved by the Defense Ministry, General O will be discharged on 1 March 1995.

Major General O Hyong-kun's nickname inside the military is "gorilla" or "King Kong" because of his looks. His ears are smashed due to an injury received in a rugby game while a cadet at the Military Academy.

General O is a leader of the 22nd class of the Military Academy and a member of the "Hanahoe" faction. He has served with airborne troops and in the presidential security unit, and as the brigade commander of the Special Warfare Command. His career can be a "weak point" in the "civilian era" stressed by the Kim Yong-sam government. It is natural that his criticism against military leaders and politicians will be viewed as the political remarks of a "political soldier" from the "reckless" Hanahoe.

However, a retired general described the military measures against General O as a "sacrifice" without hesitation. He asserts that General O is being sacrificed by the "new political soldiers" who have emerged as the new power inside the military during the Kim Yong-sam era.

The retired general said: "General O made his farewell speech on 25 October. The 'O Hyong-kun scandal' began a month later when a newspaper reported the speech on 23 November. If his speech is a problem, it should have been raised right after the ceremony. There must be some untold story to make an issue out of the speech after a month."

It is not the first time that "new political soldiers" were mentioned. Kang Chang-song, a Democratic Party legislator and former commander of Defense Security Command, exposed at a National Assembly session that political soldiers have formed a "Mannahoe" separate from the "Hanahoe."

Some retired generals believe the more critical problem of the "O Hyong-kun" scandal is not the farewell speech, but the reality of the military that made such a speech inevitable. They said: "Our military is facing estrangement between the upper and lower structure. The two distrust each other."

A retired general added: "There are two types of soldiers: peacetime and wartime soldiers. In peacetime, a smart-looking soldier who is good at briefing is welcome. In wartime, we need a soldier who is good at war, even if he is not good-looking and not eloquent. General O is a typical wartime soldier."

Engineering Accidents in Other Countries Noted

SK1212033294 Seoul YONHAP in English 0214 GMT 12 Dec 94

[By Mun Pyong-hun]

[FBIS Transcribed Text] Seoul, Dec. 12 (YONHAP)—Are major civil engineering mishaps like the Han River Bridge collapse in Seoul last October monopolized by developing countries? Do they not occur in advanced nations like Japan, the United States and Germany?

The answer is that such accidents happen everywhere. In some advanced countries, they do occur but may not be revealed to the public because the government and press cover them up. As a result, construction firms responsible for such accidents face no disadvantages in international bids for civil engineering projects, unlike Korean companies which were excluded from recent bids held in a few countries, apparently because of the bridge collapse in Seoul this year.

In Japan, an elevated highway of a new public transit system in Hiroshima collapsed in March 1991, killing 14 people and seriously injuring two others, while it was being built in preparation for the Asian games this year, according to construction industry sources here.

In February 1987, an elevated highway in Kobe city crumpled, killing two people and injuring seven others, during construction. And in February 1992, a gymnasium under construction at a maritime Self-Defense Force base in Atsugi collapsed, killing six workers and trapping several others in the rubble.

Last June, a dike 110 meters high and 60 meters wide for a Hydroelectric Power Plant in Yamagata prefecture toppled during construction, killing several workers.

Yi Pong-kyu of the Daewoo Business Group, who was assigned to the group's office in Japan for five years from 1988, said: "Civil engineering accidents, big and small, occur one after another in Japan, but they usually are not followed by noisy repercussions throughout the country. People quietly watch investigative authorities look into the cause, refraining from any rash conclusions that the incident was due to defective or erroneous construction work."

In the United States, too, a bridge in Ohio buckled in December 1967, killing no less than 47 people, while a turnpike bridge in Connecticut collapsed in June 1983 and four cars plunged into the river, killing only three people and injuring three others as the accident occurred before the morning rush hour.

In Germany, a bridge in Aschaffenburg crumpled in 1988, killing or injuring eight people, and in November 1971 a bridge near Bonn went down, killing six and injuring 16 others.

Burma

Government Adopts National Environment Policy

BK0912125094 Rangoon THE NEW LIGHT OF MYANMAR in English 7 Dec 94 p 12

[FBIS Transcribed Text] **National Environment Policy of Myanmar[Burma]**

To establish sound environment policies in the utilization of water, land, forests, mineral, marine resources, and other natural resources in order to conserve the environment and prevent its degradation, the Government of the Union of Myanmar hereby adopts the following policy:

"The wealth of a nation is its people, its cultural heritage, its environment, and its natural resources. The objective of Myanmar's environment policy is aimed at achieving harmony and balance between these through the integration of environmental considerations into the development process to enhance the quality of the life of all its citizens. Every nation has the sovereign right to utilize its natural resources in accordance with its environmental policies; but great care must be taken not to exceed its jurisdiction or infringe upon the interests of other nations. It is the responsibility of the State and every citizen to preserve its natural resources in the interest of present and future generations. Environmental protection should always be the primary objective in seeking development."

It was learnt that the said policy was proclaimed through the Gazette in accordance with Notification No 26/94 dated 5 December 1994, of the Government of the Union of Myanmar.

MOFA [Ministry of Foreign Affairs] Press Release

Paper Reports on Refugees Repatriated on 30 Nov

BK0912125294 Rangoon THE NEW LIGHT OF MYANMAR in English 3 Dec 94 p 6

[FBIS Transcribed Text] A total of 1,352 persons of 270 households arrived back at four reception camps on 30 November under the agreement reached between Myanmar [Burma] and Bangladesh.

Altogether 115,262 persons of 24,129 households have arrived back so far since 22 September 1992.

Brunei, Malaysia & Singapore

Malaysia

Minister Opposes U.S. Base in Southeast Asia

BK1112131194 Singapore THE STRAITS TIMES in English 10 Dec 94 p 22

[Report by Derwin Pereira in Kuala Lumpur]

[FBIS Transcribed Text] Malaysia welcomed an increase in technology transfer and joint military exercises with the United States as a new basis for future ASEAN-U.S. defence ties. But it opposed any plans for a permanent American military base in Southeast Asia, said Malaysian Defence Minister Datuk Sri Najib Tun Razak.

"Permanent bases are the legacies of the old mindset during the Cold War era. There is no need for a U.S. base anywhere in this region," he said.

Datuk Najib told THE STRAITS TIMES in an interview on Thursday that Asia's strategic environment in the post-Cold War era was "benign" in outlook and so did not merit a permanent U.S. base.

Moreover, advanced airlift and sealift capabilities of U.S. forces would ensure that American presence would be projected in the region without the need to find a new base, he said.

He warned that ASEAN countries should not depend too heavily on the U.S. as Washington faced budgetary constraints.

"The burden of defence will shift more and more to national governments," he said.

"This is a trend which is unavoidable."

He explained that regional stability could then be greatly enhanced through increased joint military exercises between ASEAN member countries and the U.S. and transfer of advanced technology. Through technology transfer, for example, Washington was providing the means to increase the defence capabilities of countries in the region, he said.

Datuk Najib said that his biggest achievement since assuming the defence minister's post in 1990 was building up Malaysia's military capability through weapons purchases.

Malaysia had beefed up its armed forces by buying antitank missiles, frigates equipped with advanced defence systems, and fighter aircraft, he said.

He added that the biggest challenge facing the Malaysian Armed Forces (MAF) today was transforming it from a counter-insurgency outfit into a conventional fighting force.

Besides acquiring arms, this goal required training, recruiting, and retaining manpower to operate sophisticated weapons, he said.

"I have put the process along probably an irreversible path. We have gone very far down the road and this wil] continue in years to come."

Minister Sees No Security Threat From PRC

BK1112162294 Singapore THE STRAITS TIMES in English 10 Dec 94 p 22

[Report by Derwin Pereira in Kuala Lumpur]

[FBIS Transcribed Text] Malaysia does not see China as a security threat and is keen to forge closer defence links with Beijing, according to Defence Minister Datuk Sri Najib Tun Razak.

"We are not alarmed. Looking at the nature of China's military buildup in the short and medium term, it is very much defensive in nature and not moving in the realm of power projection," he said.

Datuk Najib said Malaysia was keen to step up defence ties with Beijing through high-level visits and purchase of military equipment. Both countries agreed recently to exchange defence attaches.

"Relations with China are excellent and there is no reason why we cannot cooperate in the military field," he said.

While there was scope for greater bilateral defence cooperation, he dismissed the possibility that the two countries would take part in joint exercises.

"Malaysia is too far away from the Chinese area of military interest."

On the Spratlys dispute, he welcomed China's intention, expressed recently, to resolve claims over the islands through dialogue and joint development.

Malaysia, China, Brunei, the Philippines, Taiwan, and Vietnam claim in whole or part sovereignty of the islands in the South China Sea which are said to hold vast reserves of gas and oil.

Datuk Najib was optimistic that the South China Sea would not turn into a major conflict area despite fears of a Sino-Vietnamese clash over the islands. He said China would not enter into a military adventure since it was trying to build up good relations with its neighbours and other countries.

Asked if Malaysia would go to war to protect its interest in the Spratlys, Datuk Najib replied: "We will not resort to force unless, of course, our sovereignty is being challenged in military terms."

Minister Discusses Defense Ties With Singapore

BK1112162794 Singapore THE STRAITS TIMES in English 10 Dec 94 p 2

[Report by Derwin Pereira in Kuala Lumpur]

[FBIS Transcribed Text] Malaysia has indicated that it will allow Singapore Armed Forces (SAF) personnel to train on Malaysian soil in bigger numbers and possibly on a regular basis.

"The SAF has been training on a small scale in Malaysia. We can increase the size and frequency of this training as time goes on," Malaysia's defence minister, Datuk Sri Najib Tun Razak, told THE STRAITS TIMES in an interview.

Defence relations between the two countries have continued to be warm since the resumption of bilateral exercises between the SAF and the Malaysian Armed Forces (MAF) in 1992 after a lapse of about two years.

Army units from the two sides began a five-day joint exercise yesterday in the Malaysian state of Pahang, with the opening ceremony held in the town of Kuala Lipis.

While Datuk Najib did not specify the exact scale and frequency of future SAF exercises in Malaysia, he indicated that the republic could conduct training "in any part of Malaysia" except Johor.

"I have told Singapore's leaders that we have to be realistic," he said. "The presence of a very large number of troops in Johor is a very sensitive matter politically."

In the 40-minute interview in his Mindef [Ministry of Defence] office at Jalan [Road] Semarak on Thursday, he said bilateral defence relations had "progressed significantly" over the last decade.

"There is definitely more transparency," he said. "We feel more comfortable dealing with one another. We understand and appreciate each other much better today."

He said that both countries were finding ways to improve defence ties further. For a start, Singapore and Malaysia had agreed to set up a joint forum to discuss ways to strengthen bilateral defence cooperation, he said. The forum would be chaired jointly by the defence ministers of the two countries. He revealed that defence officials from the countries were now identifying areas of cooperation.

Describing the forum as a "quid pro quo arrangement," he said that both sides should consider offers of weapons military services and defence technology from one another.

Turning to Malaysia's relations with Singapore, he said that the two countries should look at ways to complement one another rather than being in direct competition.

"We are competing for finance, capital, and even tourists," he noted. "Our economies are not complementary in every respect, but let this competition be a healthy and benign one."

While both countries were moving towards a more "mature" relationship, he said there was a need to "move away from this prism of Malay-Chinese relationship."

"It is about time that we disengage from this traditional mindset and look forward towards a more meaningful relationship based on mutual respect."

He noted that bilateral ties were still clouded by "irritant" issues such as the question of development of

Malaysian Railway land in Singapore and the dispute over who owns Pedra Branca [Isle].

Both sides had however handled such problems "with a lot of wisdom and care," he said. "That, to me, shows growing maturity between the two countries."

Commentary Views Improved Ties With Philippines

BK0912162094 Kuala Lumpur Voice of Malaysia in English 0810 GMT 9 Dec 94

[Station commentary]

[FBIS Transcribed Text] Deputy Prime Minister Datuk Sri Anwar Ibrahim's visit to the Philippines will take bilateral ties between Malaysia and the Philippines to a much more significant level. It will also be a reaffirmation by both governments of their resolve to boost trade and investment linkages. There is so much going for both countries, whose economies are growing very rapidly indeed.

When the prime minister visited Manila last February, it paved the way for increased private sector cooperation. The major project that has come to fruition is the joint venture to manufacture Proton Wira car, a model of Malaysia's car in the Philippines. Besides this, there are numerous opportunities that the respective private sectors of both countries should exploit. After all, there is so much common ground that both nations share. As part of ASEAN, they have the common goal of helping to boost regional trade. There is much that the two countries and other ASEAN members have to do to realize the ASEAN Free Trade Area, AFTA.

Besides this, they have mooted the East ASEAN Growth Area, EAGA, which encompasses Mindanao in the Philippines and Sabah in Malaysia. ASEAN [countries], together with several other East Asian countries, are potential members of the East Asian Economic Caucus, EAEC.

With so much communality, the focus should be on nurturing further the good and hard work already laid down by the leaders of both countries. It is only recently that bilateral ties took on an added impetus after some turbulent times in the early days.

The thorny issue has, of course, been Sabah. The Philippines still has claims on Sabah. Steps should be taken to resist those who harp on the issue every time there are official visits between the leaders as if there is nothing else more important. However, it encouraging to note that rather than focussing on contentious issues, the countries are harnessing their resources to boost these areas.

There is much potential for trade and investment which the countries have yet to fully exploit. For example, Manila is trying to develop duty-free industries in Subic Bay—an area where Malaysian entrepreneurs should seriously consider to invest in. Malaysian industries should also undertake reverse investments in the Philippines to exploit the latest more competitive labor costs compared with Malaysia. This will go down well in complementing the spirit of ASEAN economic cooperation besides creating employment.

Given the potentials of their strong cultural, religious, and traditional relations, it is important that the respective private sectors do not just work towards the profit motive. It must be an equal emphasis on social responsibilities and bring about harmony between the citizens of both countries.

Malaysia-Philippines bilateral ties are set to rise further in the future. There are now more memoranda of understanding and joint venture agreements signed plus increased joint collaborations. This augurs well for a remarkably new and improved phase in two-way trade and industrial linkages which should be of immense benefit to the peoples of Malaysia and the Philippines.

Cambodia

Khmer Rouge Commander Defects With 100 Troops

BK1012124394 Hong Kong AFP in English 1143 GMT 10 Dec 94

[FBIS Transcribed Text] Phnom Bok, Cambodia, Dec 10 (AFP)—A Khmer Rouge division chief has defected with around 100 of his men as the government advanced on the radical faction's strongholds on Kulen mountain in northwestern Siem Reap province.

"I think I have wasted my time in the jungle," Huot Him, commander of the Khmer Rouge's 980th division, told AFP Friday after they handed over their weapons to the government forces at this small village some 20 kilometers (12.5 miles) northeast of Siem Reap town. Huot Him said he and his men were tired of protracted struggle and wanted to avail themselves of a government amnesty for Khmer Rouge defectors.

The government officially outlawed the Khmer Rouge in July but allowed for a six-month amnesty period, which expires January 7, for guerrillas to defect.

"I listened to (First Prime Minister) Prince Norodom Ranariddh on the radio appealing to us to defect, which made me more secure about deserting with my men," the commander, who joined the Khmer Rouge in 1973, said.

The government assault on Kulen Mountain was assisted by some 150 former guerrillas who defected last month and encouraged their comrades to join them.

The former guerrillas, now outfitted in government uniforms, embraced their friends, who were still in their Chinese-made uniforms as they walked out of the forest.

The guerrilla rank and file laid down their immaculately kept AK- 47 rifles, rocket launchers and carbines and then sat in the shade smoking marijuana—and looking somewhat bewildered—as journalists posed questions.

Huot Him said another reason which led him and his men to defect was recent Khmer Rouge orders to burn down villagers' homes.

"In my zone I never burned the people's houses, I did not follow the orders," he said.

Khmer Rouge guerrillas recently burned down several hundred homes elsewhere in Siem Reap province, forcing some 30,000 people to flee their villages.

Radio Reports Surrender

BK1212013394 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 11 Dec 94

[FBIS Translated Text] Recently a group of 85 Khmer Rouge soldiers and their families, led by Huot Him, commander of the Khmer Rouge's 980th Division operating in the Phnum Kulen region, agreed to bring along their arms and ammunition and rejoin the national community by presenting themselves to the 11th Division of the Khmer Royal Armed Forces stationed in the Phnum Bok region, Banteay Srei District, Siem Reap Province.

KR Alleges Government Use of Chemical Weapons

BK1112143994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 11 Dec 94

["Communique" issued by the spokesman of the National Army of Democratic Kampuchea on 10 December; place not given]

[FBIS Translated Text] I. The two-headed government used warplanes to drop toxic gas bombs in Kulen District of Preah Vihear Province, causing the people to vomit and suffer diarrhea, fever, and skin rashes. Three children were killed while many others, fortunately, were rescued.

II. According to the experiences of the victims, the emergency rescue measures are as follow:

1. A scarf dampened with urine should be applied to the mouth and nose of the intoxicated victims;

2. They should then be given a sweetened drink and medical treatment; and

3. Wells and [word indistinct] should be covered firmly.

III. With the communique, the spokesman of the National Army of Democratic Kampuchea [NADK] severely condemns the traitorous two- headed puppets for their collusion with the alliance and communist Vietnam to use chemical weapons to kill the Cambodian people in violation of human rights and the 1925 and 1972 international laws banning chemical weapons use.

Proving the cowardly acts against the Cambodian people is evidence showing the utter defeats suffered by the two-headed government militarily, politically, and socially.

10 December 1994
NADK spokesman

KR Claims Vietnamese Receiving Identity Cards

BK1112110294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Dec 94

[Unattributed commentary]

[FBIS Translated Text] Sar Kheng has issued Cambodian identity cards to another 30,000 Vietnamese and announced that the 8 million Cambodians, plus the more than 2 million Vietnamese holding Cambodian identity cards, will make Cambodia's population more than over 10 million.

According to Interior Ministry officials, the puppet Sar Kheng, on behalf of the Royal Government of Cambodia [RGC], issued Cambodian identity cards to another 30,000 Vietnamese in November. The cards were issued at the same time that the masses, people, and students were demanding more vigorously that the two-headed government kick the 4 million Vietnamese out of the country.

Observers say the presence of the 4 million Vietnamese and the card issuance has prompted Sar Kheng to announce that the Cambodian population is presently more than 10 million. Nevertheless, whatever the growth rate is, Cambodia, due to the war, can never have a population of 10 million on its own. Therefore, the 4 million Vietnamese have to be added to put the population over 10 million.

Minister on Death of Reporter in Kompong Cham

BK1012114994 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 10 Dec 94

[FBIS Translated Text] His Excellency [H.E.] Ieng Muli, minister of information, announced on 10 December that the police investigation of the assassination of KAOH SANTEPHEAP reporter Chan Dara is continuing. Muli also provided details about the murder, which occurred at 2030 on 8 December in Kompong Chhnang.

Dara, age 28 and the father of two children, met with an acquaintance at 1730. The two went to have dinner at the (Louk Khe) restaurant near the Mekong River bank. Two hours later the two left for a small restaurant named (Samraoh Chrouy Thmei), and later left for the Tonle Mekong bar. The two left the bar riding their respective motorcycles, with Dara riding in front of his friend. About 100 meters south of (Samraoh Chrouy Thmei), two shots were fired. Dara died instantly and his acquaintance disappeared.

The police reported later that two spent cartridges fired from a K-54 pistol were found. The shots were judged to have been fired from behind Chan at a range of about one meter. Muli said that the police firmly believe that their investigation will lead soon to the arrest of the murderer.

Murder Suspect Arrested

BK1212120894 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 12 Dec 94

[FBIS Translated Text] His Excellency [H.E.] Ieng Muli, minister of information, said on 12 December that a suspect in the assassination of KAOH SANTEPHEAP reporter Chan Dara in Kompong Cham Province was arrested by the police on the afternoon of Sunday, 11 December. He added that H.E. Yu Hokkri, co-minister of interior, travelled to Kompong Cham Province on Saturday and ordered the arrest of the murder suspect.

H.E. Ieng Muli further said that the police questioned the suspect at length on Sunday and then sent him to the Kompong Cham provincial tribunal. It is expected that the suspect will be charged with the murder of Chan Dara and sentenced accordingly.

The murder suspect is presently being detained by the provincial authorities.

H.E. Ieng Muli said the fate of the suspect depends on the judgment of the tribunal.

Assembly Official Discusses Human Rights

BK1012140294 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 10 Dec 94

[Interview by unidentified correspondent with Kem Sokha, chairman of the National Assembly Commission for Human Rights and Petitions; date and place not given—recorded]

[FBIS Translated Text] [Correspondent] Welcome His Excellency [H.E.] Kem Sokha, National Assembly from Takeo Province, and chairman of our National Assembly's Commission on Human Rights and Petitions. Before the interview, please allow me to convey a communique from the minister of information.

I would like to stress that the KAOH SANTEPHEAP correspondent in Kompong Cham was killed at 2030 on Thursday 8 December 1994 in Kompong Cham Province. The victim was Chan Dara, born in Prey Veng Province, age 28. He had two children. I ask that the Interior Ministry investigate the motive of this murder quickly and effectively. As long as the investigation is incomplete, I cannot determine whether this KAOH SANTEPHEAP correspondent was killed for personal, political, or other reasons. I would like to share the grief of the family of the deceased and bitterly condemn all forms of violence. I will be even more saddened if the victim was killed for political reasons.

10 December.

Today marks the International Human Rights Day. Can you talk about the human rights situation in our country?

[Kem Sokha] First of all, my greetings to samdechs, ladies, excellencies, and officials, and in particular beloved compatriots. December 10 is the International Human Rights Day which our government and all Cambodian people celebrate. We are a signatory party recognizing human rights in accordance with what is stipulated in many international documents.

Concerning the human rights situation in Cambodia, as all of you are aware, we have done well in the legal sense, particularly since the time we signed a treaty in Paris on respect for human rights in which—Articles 15, 16, and 17—we pledged to respect the rights of all Cambodian citizens [words indistinct]. Afterward, we set up the Supreme National Council [SNC], Cambodia's sole and legitimate representative during the transitional period. The SNC signed many treaties and conventions dealing with human rights documents. After that, we set up an assembly which drafted the Constitution. Chapter 3 of the Constitution, from Articles 31 to 50, deals with the rights and duties of citizens. It is very clear. The constitutions of some countries are not as clear as ours on human rights, despite the fact that some of those countries have been democratic for a long time. We have just started, but we have been guaranteed proper laws to ensure human rights.

I say all this to say that it is not enough that we have these laws. Apart from this, we have many [words indistinct]. I have noticed in particular many associations and nongovernmental organizations. This is the the right of the citizens. There is no need for the government to act. For some activities, the citizens can act themselves, like setting up human rights organizations, development associations, and farmer associations. This is the right of the citizenry, who do all this to serve their own interests.

Another noteworthy thing is press freedom. We have had this freedom for just a year, but we have many free newspapers. You are from the Information Ministry, so you are well aware of this. This is a basic foundation for genuine democracy. From a legal and practical aspect, we (?cannot say) that we have enough. I acknowledge this. I am the one responsible for human rights in the National Assembly, which is the representative of the (?supreme body). I would like to inform our compatriots that we still lack many things. Our compatriots are still not yet comfortable with human rights legislation alone.

Human rights are inherent rights. Each person does not need to be given these rights by others. These are birthrights.

Therefore, the government and National Assembly must do something to enable individuals to exercise their rights. The fact that the National Assembly writes these laws down on paper and records them in books does not mean that human rights are respected. Respect for human rights rests in the practice. There are shortcomings.

A major reason for this is war. War can cause the loss of human rights. When there is war, there are human rights violaitons. Therefore, those waging war are those who violate human rights. Only when war ends can human rights be protected. Refugees are numerous and the numbers of widows, orphans, and disabled people are increasing. This is because of war. Famine and lack of shelter are also increasing.

If we go back to the treaties and conventions we have signed, citizens should not be allowed to suffer like this. Our situation does not allow this yet, however. This is the shortcoming we have to deal with.

The issue of press freedom. Indeed we have this freedom, but it is still very thorny. This is the truth. We say that we allow the presence of many newspapers, but the killing of reporters still takes place, as you just conveyed the communique by H.E. the minister. This is somehting that we should really worry about. If the freedom of reporters is eliminated, democracy is eliminated. The citizens have no other ways to express their views except through newspapers. Newspapers are the (?bastion) of the citizenry.

I see shortcomings in our judicial system. We can safeguard and defend human rights only when we have a proper, independent, and just tribunal. At present, our judicial system is not really in order. Thus there are shortcomings. I believe that our citizens desire their rights and freedoms very much. They have told me that they are out in the cold. They have staged demonstrations and strikes. They have brought thousands of petitions to the National Assembly. Thus, we have to correct this situation.

[Correspondent] You said that when there is war, violations of human rights cannot be eliminated. In our country, as far as I know, it is not just war. There is the repression by the so-called Khmer Rouge terrorism. You are aware of this. Those violating human rights are the Khmer Rouge, who strive to violate human rights, burn people's houses, and even kill our citizens. The Khmer Rouge policy has been in place since 1975. The government, born of the people's will—you are in it, and also in the National Assembly—is trying to find all kinds of measures to protect human rights in our country by opposing Khmer Rouge aggression. This is my view.

Excellency, apart from the Khmer Rouge criminal group and other groups violating our laws, please talk about the law protecting human rights.

[Kem Sokha] Thank you. Regarding the current human rights violations in Cambodia, the most important thing is to get everyone governed by the law. Once people are allowed to be above the law, respect for human rights is not possible. The government and National Assembly should be governed by the law, as should the citizens. It says clearly in our Constitution: Cambodian citizens of both sexes are equal before the law.

In the past, we have not brought to court those who have violated other people's rights. Therefore, we cannot allow all these people—those who hold power, the Khmer Rouge, and whoever else who have done this—to get away. They should be tried. Otherwise, they would be above the law. If local authorities or those in the government are guilty of wrongdoing, if they are not tried [words indistinct] this means that everyone is not equal before the law. We already have our basic law, namely the Constitution. We have to draft other laws. We have been doing this. The National Assembly and the government are doing this. Once we have the Constitution, we have to draft organizational laws, then subsidiary laws. This is the standard for legal procedure in the secular world.

In the religious world, we already have these laws. As Buddhists, we know of Buddha's laws, but we have not followed them. Buddha was the one who revered human rights the most. Those who adhere strictly to Buddhism are the ones who respect human rights. Those who violate human rights are villains with no religion. If we observe the Buddha's precepts, such as the five precepts, many of our Cambodian people know them but the number who observe them is small. It is said that 90 percent of Cambodians are Buddhist, but some people do not observe the Buddha's precepts.

The five precepts begin by forbidding killing. We still kill. Once this is done, human rights are violated. The second involves coveting other people's property. The third refers to telling lies and cheating. The fourth, on sexual activities, involves having two or three wives. The fifth teaches that consumption of alcoholic drinks causes drunkenness leading to violence and killing. These Buddhist laws should be strictly adhered to; they are already there. We should learn them and abide by them. In doing this, we may get rid of one problem.

The second problem is also addressed in Buddhism. That involves the four (?immoralities.) Buddhism is a religion aimed at democracy. [Words indistinct] if the tribunal is organized in the Buddhist way. Buddha, in fact, has given all the advice necessary to the court. According to Buddha, judges should not be afraid to try everyone, be they big shots or small fry. There should be no grudges. After the trial, those with weapons should not hold grudges against the judges, who only act in accordance with the law. Bewilderment. Do not be disturbed by bribes and turn white into black, and vice versa. This way people will not receive justice. The fourth precept involves impartiality. Judges should not have considerations for relatives or friends. If the current court can adhere to the four Buddhist precepts, respect for human rights is possible. We have these additional laws, but we do not abide by them. In sum, Buddhist law forbids violence. The four precepts should be observed. This is the way we, Buddha's followers, should live.

Therefore, we should reconsider these laws [words indistinct] these people to behave themselves.

[Correspondent] Thank you, Excellency. Our national institutions are set up legally in accordance with the Constitution. What you are saying is that those in charge of these institutions should be clean.

In my view, born of our people's will, the majority of our 120 people's deputies are representatives of our people. As I said, there are good and bad members of the National Assembly and of the government. Thus, you wished to refer to the groups that damage our national institutions. Our laws on humna rights are in good order, but you are concerned about individuals who flount the law.

Finally, do you have any recommendations for those who do not abide by our laws, particularly those produced by our National Assembly and royal government, so that our citizens will abide by the law?

[Kem Sokha] As I said, the most important thing is to abide by the laws adopted by the state and to observe the precepts taught by the Buddha. This would bring security to the people.

Before concluding, I would like to [words indistinct] appeal to and plead with politicians who have greedy ambitions, and those who kill people and refuse to end the people's suffering, to immediately stop doing these things because our people do not want violence. Second, I appeal to the authorities who refuse to recognize the people's proper rights, to please give these rights back to the people immediately because the people are so hungry for these freedoms and rights. For over two decades, the people have suffered and worried about their rights. Today we should give these basic rights to our compatriots.

Third, I appeal to our beloved compatriots. Human rights are very valuable. If we use them the wrong way, they are useless. In exercising one's rights, we have to consider those of others. The value of human rights is the value of each individual. If we enjoy our rights and affect those of others, we will become human rights violators.

This is an appeal to all compatriots on the observation of rights. This is the aspiration of one who respects human rights. Thank you.

Indonesia

Minister: 'Political Deregulation' Unnecessary

BK1212073894 Jakarta REPUBLIKA in Indonesian 30 Nov 94 p 1

[FBIS Translated Text] Jakarta, REPUBLIKA—Minister and State Secretary Murdiono has given his views on political deregulation. According to him, political deregulation is unnecessary if it means the creation of new political parties. Moreover, he questioned the meaning of the term. "What does political deregulation mean? We should not allow ourselves to be trapped in an unclear issue," he said during a working meeting with House Commission II [in charge of home affairs] yesterday.

The issue of political deregulation emerged after APEC [Asia-Pacific Economic Cooperation] leaders agreed on a free trade timetable. Economist Edy Suandi stressed the need for political deregulation in terms of openness and democratization during a limited panel discussion at the Center for Strategic and Policy Studies of Gajahmada University several days ago.

It is necessary because many regulations and a long bureaucratic network have led to a high-cost economy. Thus, there are fears that Indonesia will find it difficult to be competitive if they are not abolished. In addition, there have been collusion, monopolies, and oligopolies.

Oka Mahendra, a member of House Commission from the Functional Group faction, asked the minister during a working meeting yesterday whether political deregulation would be necessary to enable economic and political software to become harmonious. He also asked the minister whether Law No. 5/1963 should be reviewed because of current stability.

Replying, Murdiono said practices such as collusion, monopolies, and oligopolies have nothing to do with political deregulation. He hoped that the term 'political deregulation' would not trap us.

He said Indonesia's political concept based on political openness is already clear, but political deregulation is unclear. According to Murdiono, President Suharto has stated that Panacasila is an open ideology which is implemented by the House of Representatives on behalf of the people. Our legal system and norms also are open in the sense that they can be adjusted to the prevailing situation and condition. "The government's policy [preceding word in English] is clear. We are continuing the openness. Thus, political deregulation will be unnecessary if it means the creation of new parties," the minister and state secretary stated.

Aminullah Ibrahim, head of the Armed Forces faction caucus in House Commission I [in charge of foreign affairs, defense, security, and information] from the Armed Forces faction, urged the government to give an official clarification about the Bogor Declaration. This is necessary to avoid confusion about new terms that emerged during the Bogor meeting.

According to Aminullah, a minister or the minister and state secretary himself could clarify the term "economic liberalization." The term is difficult to accept under Pancasila. He admitted that the term "economic liberalization" is not yet known in Pancasila democracy.

"Thus, I feel the term should be clarified. For example, we should assemble experts to clarify it," he told reporters yesterday.

Besides posing questions about APEC, the commission members also congratulated the minister and state secretary as chairman of the APEC Meetings Organizing Committee and President Suharto as chairman of the APEC Meetings Advisory Council on the success of the APEC summit attended by 18 Asia-Pacific economic leaders.

Editorial Says Fears of APEC 'Unnecessary'

BK1212094394 Jakarta REPUBLIKA in Indonesian 5 Dec 94 p 6

[Editorial: "After the Bogor Declaration"]

[FBIS Translated Text] Former U.S. President George Bush gave his comments on the Bogor Declaration when he visited Jakarta last week. Bush said developing nations, including Indonesia, should work harder to catch up with developed APEC [Asia-Pacific Economic Cooperation] members. "Suprisingly, Indonesia seems to be very relaxed," THE JAKARTA POST quoted Bush as saying (4 December).

Is that so? Hartarto, coordinating minister for industry and trade, said during a meeting with chief editors of mass media outlets last week that Indonesia was aware of the matter.

Nevertheless, not a few people question the term liberalization, for example, which is used in the declaration, because they fear that Indonesia's economy will adopt liberalism and Indonesia may be disadvantaged by the developed APEC members.

In this regard, the government has stated that Indonesia has consistently adopted the market economic system on the basis of Article 33 of the 1945 Constitution and the Broad Outline of State Policies since the New Order was born in the country. The government has taken the initiative in translating the system into reality in accordance with the prevailing situation and condition. There have been deregulation and debureaucratization packages.

Whether we will be in a disadvantageous position will indeed depend on how much harder we will work. The declaration itself stipulates that cooperation between the developed and developing nations should be undertaken on three pillars—growth, equality, and national stability. The three pillars are indeed part of Indonesia's development trilogy. There are other pillars. Such cooperation should be based on an equal partnership, mutual responsibility, mutual respect, and mutual advantage. These are the principles of the Nonaligned Movement, currently led by Indonesia.

We should recall Indonesia's experience with the AFTA [ASEAN Free Trade Area] pact signed in 1992. Initially, some people feared that Indonesia would be flooded with goods from Singapore and Thailand. According to Hartarto, Indonesia has in fact enjoyed a surplus in its trade with those two nations.

ASEAN decided to implement AFTA by 2003 to anticipate free trade and investment in APEC to be implemented by the developed and developing member nations no later than 2010 and 2020 respectively. A gap of seven years [2003-2010] has been considered long enough for ASEAN to be prepared for the developed nations' markets.

Free markets adopted by the developed nations no later than 2010 will provide the developing nations, including Indonesia, with great opportunities. Thus, Indonesia's future will lie in APEC as far as trade volumes quoted by the coordinating minister for industry and trade are concerned.

In addition, there is good news. The United States and Japan, the two largest markets for Indonesian products, have ratified the GATT pact. This has provided Indonesia with a good opportunity to increase its non-oil and non-gas exports. The United States will at least no longer be able to unilaterally impose "penalties" in several areas such as dumping. The United States will also no longer be able to restrict imports of our textile products.

Accordingly, there is no longer any need for unnecessary fears over APEC's impact on Indonesia. We must work hard to take advantage of the opportunities. The hard work will bring about greater success if there is consistency and transparency in implementing the current regulations.

Official Cites Prerequisites for Growth Area

BK1012145694 Jakarta KOMPAS in Indonesian 3 Dec 94 p 2

[FBIS Translated Excerpt] Manado, KOMPAS—Three main prerequisites are needed to accelerate the growth of the eastern part of Indonesia, especially in the areas included in BIMP-EAGA [Brunei Darussalam-Indonesia-Malaysia-Philippines, East ASEAN Growth Area]. "The three main prerequisites are the establishment of governmental, physical/economic, and financial infrastructure," said Warno Harjo, coordinating officer for economic affairs of Golkar [Functional Group] Central Executive Council, to reporters in Manado on Thursday 1 December.

Governmental infrastructure means the granting of greater authority and autonomy to the region concerned, which Warno Harjo described as an urgent issue. As an example, he pointed out the limited facilities available in the Sangihe Talaud District, which is the northernmost border region of Indonesia. He said this may lead to reduced social resilience among local people in coping with the increasingly liberalized global economy. "For example, by granting greater authority to the Satal region, the 77 islands in the area can be developed faster," said Warno Harjo.

The region also badly needs physical infrastructure to enable it to play a role in the BIMP-EAGA. Physical infrastructure includes roads, bridges, telecommunications facilities, clean water supply, electricity, air and sea transportations. The most obvious example is that the six million tourists who visit Singapore annually can actually continue their journey to the eastern part of Indonesia. However, if the region is not ready, it will of course be useless.

Another physical infrastructure needed in the region is the development of marine infrastructure. "The theft of our fish worth one trillion rupiah annually from the Sulawesi Sea is attributed to our limited marine infrastructure. Therefore, to prevent the theft, we must urgently develop the infrastructure," he said.

As for financial infrastructure, Warno Harjo stressed the need for the government to formulate banking, fiscal, and monetary regulations and facilities. These include a reduction in loan interest rates, the waiving of certain fiscal duties, and other monetary facilities. [passage omitted]

Editorial Discusses 'Wasteful' Economic Spending

BK1012145794 Jakarta MERDEKA in Indonesian 9 Dec 94 p 6

[Editorial: "Economic Theory To Cope With Wasteful Spending"]

[FBIS Translated Text] This week, those who are interested in economic and political issues could get a reasonable amount of news. Jakarta newspapers will be concentrating their discussions on the difference between "trade liberalization" and "liberalism", the Parliament's Commission on State Revenues and Budget's query into the fake export case and its impact on state finance. Before, thhe corrupt practices of customs officers, especially at ports, have attracted public attention due to their impact on the economy, namely, causing a "high-cost economy". In short, the public have begun to show their interest in the national economy after being overwhelmed by news about GATT and APEC [Asia-Pacific Economic Cooperation]. We certainly hope that they will begin to pay more attention to the development program during the Second Long-Term Development Master Plan.

It is true that the proverb nothing is perfect is applicable anytime and anywhere. This applies to the implementation of our current economic development program. However, being interested in the flaws in national development should not be misconstrued as trying to find fault with the development process. To pay attention and correct flaws also means the public still have the sense of belonging [preceding three words in English]. Therefore, anybody who wants to voice his views must not be greeted with suspicion because economic issues concern the life of everyone on this planet. Economic depression and inflation usually affect the weakest level of human society. Despite massive efforts to boost economic growth, something seems to have been forgotten, namely, will the fruits of hard work and sacrifices finally be reaped by the majority of the people? It must also never be forgotten that economics is not a pure science, but a social science that is closely related to the social and political issues.

When some people believe that the economic development of the nearly 30 years has not achieved its aims, namely justice and equal distribution of wealth, we must not entertain negative assumptions. Not only the majority of our people, but also foreign economic experts from the World Bank have expressed concern over the "leakage" of our economic system. Early this week, Finance Minister Mar'ie Muhammad briefed the Parliament's Commission on State Revenues and Budget on our huge foreign debt, the difficulties of servicing them, and its impact, namely Indonesia's position as the world's fourth largest debtor. However, neither the economists nor the public have submitted their views or proposals to the government on how to maintain economic growth. This has given rise to some doubts because in the past, many economists did warn the government that our foreign debt was approaching the "danger zone".

Perhaps it will do no harm if we remind those interested in economics in this country of what Franco Modigliani, a Nobel Prize winner in economics, had to say. He said: "Using the analogy of life cycles, we can show that a government's budget deficits or debt will seriously affect the welfare of future generations because they will absorb productive funds away from the public. When a government is accumulating internal or external debt, such debt will absorb people's savings and reduce the amount of funds for investment, or hold back the increase in the stock of capital goods [four preceding words in English]." That is the main negative effect of a government's budget deficit. Franco Modigliani was not talking about the situation in developing countries where an accumulation of capital is likened to a fairy tale. But, he did discuss the wasteful spending of overseas funds by the economic decision makers of developing countries. It seems that we ourselves must find a solution to this problem.

There is one more thing we must not forget. All economists, from Adam Smith to John Maynard Keynes, have talked about economics from all kinds of angles, including the pros and cons? Paul A. Samuelson even came to the conclusion that an accumulation of economic theories may produce what he called the Falf of Composition [three preceding words in English], namely the misleading nature of a group of economic principles. But? all these people have not compiled a special guidebook on how to cope with wasteful spending and leakage among developing ries.

East Timor Golkar Party Leader Interviewed

BR0912145594 Lisbon DIARIO DE NOTICIAS in Portuguese 7 Dec 94 pp 16-17

[Interview with East Timorese Golkar Party leader Manuel Carrascalao by Joao Pedro Henriques in Lisbon; date not given: "Independence Would Win Referendum"]

[FBIS Translated Excerpt] Manuel Carrascalao arrived virtually incognito in Lisbon, and has remained in the same situation at the home of relatives for just over a week. Today the brother of former Governor Mario and of UDT [Democratic Union of Timor] leader Joao returns to Timor. Since he did not come on a diplomatic mission, he says that he has met with no personality.

Leader and deputy of the Golkar (the single party in Indonesia) representation in the Provincial Assembly of Timor, he confirms in this interview with DIARIO DE NOTICIAS that current Governor of Timor Abilio Osorio is in decline. In addition, he praises Ximenes Belo and manages to be a good deal more critical of Abilio Araujo [leader of the overseas East Timor community] than of Jose Ramos-Horta. The reconciliation meetings are a farce, he asserts. Moreover, if there were a referendum today, the Timorese people would choose independence. [passage omitted]

[Henriques] Abilio Osorio, the governor of Timor appointed by Indonesia is said to be losing influence. Is it true?

[Carrascalao] Possibly. Perhaps his conduct is not much in keeping with what the Timorese people want...

[Henriques] Could you be more specific?

[Carrascalao] He is seeking autonomy for Timor, but everybody knows that he belongs to the Apodeti [Timorese Democratic People's Association] Party, which seeks integration into Indonesia. So the population suspect the autonomy which he seeks. [passage omitted]

[Henriques] Do you believe that Abilio Osorio will be reappointed?

[Carrascalao] Possibly not. The population will not want...

[Henriques] What is your opinion of the conduct of National Council of the Maubere Resistance spokesman Jose Ramos-Horta?

[Carrascalao] I find it rather phony. I do not know to what extent it represents the council or what he upholds. I do not know...i am very suspicious...

[Henriques] Do you not believe that he is the resistance's top representative abroad?

[Carrascalao] To some extent. Those who are inside there with some thought of resistance deem legitimate anybody who creates a commotion over here.

[Henriques] What is the exact size of the armed resistance?

[Carrascalao] I do not know, but you must understand that after 20 years the resistance in the jungle is limited...

[Henriques] But it has renewed itself, become younger...

[Carrascalao] It is not a matter of age. It is a matter of existence in an environment in which there are many people who betray.

[Henriques] What is your opinion of Abilio Araujo?

[Carrascalao] I believe that right now he is just an opportunist, and this because he suddenly ceased to be categorically anti-Indonesian and became an individual who loves Indonesia.

[Henriques] Do you believe that he manages to be more pro- Indonesian than yourself?

[Carrascalao] I believe so, I believe so! But his love is not really for Indonesia but for Indonesia's money. I can guarantee nothing, but what gives that impression is that they basically wish to be traders, to act as contacts in order to facilitate trade between Portugal and Indonesia.

[Henriques] Are the reconciliation meetings just that?

[Carrascalao] In order to be reconciliation meetings as is claimed they should include Ramos-Horta, Joao Carrascalao, and Vicente Guterres, and they are not invited. And on the Indonesian side, perhaps myself, perhaps the bishop (Ximenes Belo), and we are not invited, but we certainly will be invited.

[Henriques] Are those meetings futile?

[Carrascalao] They are a farce; they serve no purpose, only to deceive everybody.

[Henriques] Is Timor as an Indonesian province a "closed matter," as the governor of Jakarta says?

[Carrascalao] Possibly. If we believe that the request for Timor's integration into Indonesia (the Balibo declaration, signed just before the invasion in 1975) was made as the rules of good sense require, perhaps. I do not mind its being a closed matter, but only if the Indonesians respect individuals as a different civilization, a different way of being Indonesian.

[Henriques] That certainly accords with the idea of autonomy...

[Carrascalao] Exactly, and we really should go in that direction. I believe that, like it or not, we are not Indonesian like the other provinces. We are Indonesian because we sought integration into Indonesia, therefore Indonesia should pay us special attention. So far it has not done so. As well as building houses, roads, and other facilities, it has not yet done so in the political aspect.

[Henriques] Do you believe that Indonesia will ever allow a referendum to choose integration or independence?

[Carrascalao] I do not believe so, because Indonesia regards Timor as a fait accompli to all intents and purposes.

[Henriques] If that referendum took place, which of the options would win?

[Carrascalao] Right now, it would be independence.

[Henriques] And what would your choice be?

[Carrascalao] I must join the population.

[Henriques] Do you not know how you would vote?

[Carrascalao] I am an individual whom the population regards as a leader. That is why I must always reflect the population's thinking... even though I often find that difficult...

[Henriques] How do you assess the conduct of Bishop Dom Ximenes Belo?

[Carrascalao] In my opinion, Ximenes Belo is a sufficiently consistent individual, aware of his responsibility, of the position he holds. He is a Timorese such as I would like other Timorese to be.

[Henriques] He wants a referendum...

[Carrascalao] Yes, but also a broader autonomy if a referendum cannot be held.

[Henriques] Do you believe that Timor will ever achieve that "broader autonomy"?

[Carrascalao] If Indonesia wants a peaceful and calm Timor, it will have to go for that solution. Like it or not, the Timorese people's way of life is different from that of the people of the other parts of Indonesia. [passage omitted]

Laos

Further on Mourning Death of Phoun Sipaseut

Leaders, Thai Diplomat Lay Wreaths

BK0912144494 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Dec 94

[FBIS Translated Text] At 1500 on 9 December, a delegation of the Lao People's Revolutionary Party [LPRP] Central Committee, the National Assembly, the government, and the Lao Front for National Construction [LFNC] Central Committee jointly laid wreaths to pay homage to the body of Comrade Phoun Sipaseut, Political Bureau member of the party Central Committee, deputy prime minister, head of the Foreign Relations Committee of the party Central Committee, and official in charge of supervising foreign affairs, who died of heart failure at 0220 on 8 December. The delegation was headed by Comrade Khamtai Siphandon, chairman of the LPRP Central Committee and prime minister; Comrade Nouhak Phoumsavan, Political Bureau member of the party Central Committee and state president; and Comrade Saman Vi-gnaket, Political Bureau member of the party Central Committee and chairman of the National Assembly, accompanied by comrade members of the Political Bureau and comrade members of the party Central Committee, members of the National Assembly Standing Committee, ministers and deputy ministers in the government, and members of the LFNC Central Committee. The wreath-laying ceremony to mourn the demise of Comrade Phoun Sipaseut was held at the Mess Hall of the Prime Minister's Office in the capital, Vientiane.

Afterward, representatives of mass organizations attached to the party Central Committee and the government took turn laying wreaths to pay their respects to the remains of Comrade Phoun Sipaseut and mourn his death. The ceremony proceeded amid an atmosphere of grievous sorrow over the demise of Comrade Phoun Sipaseut. Laying wreaths on this first day were delegations from the National Assembly; the government; the Prime Minister's Office; the party Central Committee Office; the National Defense Ministry; the Interior Ministry; the Foreign Affairs Ministry; the Presidential Office; the Organizing Committee of the party Central Committee; the Party and State Control Committee; the Propaganda and Training Board of the party Central Committee; the High-Level Party and State Theoretical Training School; the LFNC Central Committee Office; the Lao People's Revolutionary Youth Union; the Lao Women's Federation Central Committee; and the family of Comrade Souphanouvong, adviser to the party Central Committee.

In the afternoon, Tuang Mukdasiri, counselor in the Embassy of the Kingdom of Thailand to Laos, laid a wreath from Her Royal Highness Princess Maha Chakkri Sirinthon of the Kingdom of Thailand to express mourning on the demise of Deputy Prime Minister Phoun Sipaseut.

To express gratitude and grievous mourning for deceased Comrade Phoun Sipaseut, the Funeral Organizing Committee has issued regulations on a five-day period of nationwide mourning from 8 to 12 December. The cremation ceremony for Comrade Deputy Prime Minister Phoun Sipaseut will be held at the That Luang Pagoda grounds in the capital, Vientiane, on the afternoon of 12 December.

Foreign Representatives Pay Tribute

BK1212133294 Vientiane KPL in English 0857 GMT 12 Dec 94

[FBIS Transcribed Text] Vientiane, December 12 (KPL)—During December 10-11, over 100 delegations, various local and foreign institutions laid wreaths to pay their last tribute to Mr. Phoun Sipaseut, Politburo member of the Lao People's Revolutionary Party Central Committee (LPRP CC), vice prime minister, chief of the LPRP CC Foreign Relations Board supervising foreign relations affairs.

These included the delegations of ministries, party and state institutions, representatives of the administrations of six districts in Vientiane Prefecture, the provincial administrations of Vientiane, Savannakhet, and Saravane, diplomatic corps and representatives of international organisations in Laos.

On this occasion, a delegation of the Vietnamese Party and Government led by Mr. Phan Van Khai, Politburo member of the Communist Party of Vietnam Central Committee (CPV CC), vice prime minister of the Socialist Republic of Vietnam, arrived here yesterday to attend the funeral of Mr. Phoun Sipaseut due to be held at the That Luang square this afternoon.

The Vietnamese delegation, on behalf of the CPV CC Executive Committee, the National Assembly and the Government of Vietnam, laid wreaths at the mourning ceremony. The advisors to the CPV CC—Mr. Nguyen Van Linh, Mr. Vo Chi Cong, and Mr. Pham Van Dong also sent flowers to pay last homage to the Lao leader.

Ms. Chian Zheng Ying, vice chairman of the Chinese People's Political Consultative Conference, and Mr. Chalat Phuachuai, deputy house speaker of Thailand, attended the mourning ceremony and laid wreaths to pay their last tribute to the Lao vice prime minister.

In addition, the families of the Phoumsavans and of the residents of Savannakhet, the representatives of foreign investors in Laos, enterprises, companies and factories, as well as the associations of foreign residents in Vientiane also took turn to lay wreaths at the ceremony.

Mr. Phoun Sipaseut died on December 8 of heart disease.

Mourning Ceremony Held 12 Dec

BK1212143094 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 12 Dec 94

[FBIS Translated Text] The Committee in Charge of Organizing the Funeral for Phoun Sipaseut held a mourning ceremony at the Mess Hall of the Prime Minister's Office in Vientiane this morning to pay its last homage to the body of Phoun Sipaseut, who passed away at 0220 on 8 December 1994.

Attending this last mourning ceremony for Phoun Sipaseut were Khamtai Siphandon, chairman of the Party Central Committee and prime minister, and Nouhak Phoumsavan, Political Bureau member of the Party Central Committee and president of state, along with members of the Political Bureau of the Party Central Committee, members of the Party Central Committee, ministers and deputy ministers, representatives of various mass organizations, and a large crowd of Vientiane residents. Also attending were members of foreign diplomatic corps, representatives of international organizations to Laos, and representatives of various companies, enterprises, and organizations.

SRV Delegation Arrives for Funeral

BK1212085994 Hanoi VNA in English 0538 GMT 12 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 11—A delegation of the party and government (?headed) by (?Mr.) Phan Van Khai, Politburo member of the Communist Party of Vietnam Central Committee, deputy prime minister [P.M.] and president of the Vietnam-Laos Sub-Committee for Economic, Cultural, Scientific-Technical Cooperation, arrived in Vientiane this afternoon to attend the funeral of Laos's deputy prime minister Mr. Phoun Sipaseut who died on Thursday.

Mr. Sipaseut was also Politburo member of the Lao People's Revolutionary Party Central Committee and head on the party's External Relations Commission.

The delegation also included Mr. Hong Ha, secretary of the party Central Committee and head of the party External Relations Commission and Mr. Vu Khoan, vice foreign minister.

This afternoon the delegation paid a floral tribute to Mr. Sipaseut. Writing on the mourners' book Deputy P.M. Khai praised Mr. Sipaseut as a veteran leader of the Lao party, state and people and an undaunted revolutionary combatant, who rendered great service to Laos's national defense ad development, a close friend of the Vietnamese people, who made important contributions to the development of the Vietnam-Laos special friendship and solidarity.

Advisors to the party Central Committee Pham Van Dong, Nguyen Van Linh, Vo Chi Cong have sent flowers to pay last homage to the Lao leader.

SRV Sends Condolences to Party, Government

BK1212110394 Vientiane KPL in English 0903 GMT 12 Dec 94

[FBIS Transcribed Text] Vientiane, December 12 (KPL)—The Executive Committee of the Communist Party of Vietnam and the Government of the Socialist Republic of Vietnam, on December 10, sent a telegram of condolences to the Executive Committee of the Lao People's Revolutionary Party and the Lao Government in connection with the demise of Mr. Phoun Sipaseut.

The telegram conveyed the profound grief over the death of Mr. Phoun Sipaseut who was described as an influential veteran of the Lao party, state and ethnic people. He was an undaunted revolutionary combatant and an experienced activist in foreign affairs who made a great contribution to the struggle for national independence, freedom of Lao people in the past as well as in the safeguarding of the new regime and the national construction and development in the new period. He was a close friend of the Vietnamese people, unceasingly making a major contribution to the strengthening and development of the relations of friendship and the special solidarity between Vietnam and Laos.

The departure of Mr. Phoun Sipaseut is a great loss to the Lao party, state and ethnic people.

The Vietnamese leaders also shared the sadness with the LPRP CC [Lao People's Revolutionary Party Central Committee], the Government of the Lao People's Democratic Republic and the Lao ethnic people and the family of Mr. Phoun Sipaseut.

On this occasion, Mr. Nguyen Manh Cam, foreign minister of Vietnam also sent a telegram of the same nature to his Lao counterpart, Mr. Somsavat Lengsavat.

Philippines

Official Doubts Benefit of IMF Monetary Targets

BK1212095494 Manila BUSINESS WORLD in English 9 Dec 94 pp 1, 4

[Report by Micheline R. Millar and Margarita H. Debuque]

[FBIS Transcribed Text] The Philippines is ready to discontinue its economic program under the International Monetary Fund (IMF) if the country is not granted more flexible monetary targets next year, Socioeconomic Planning Secretary Cielito Habito yesterday told reporters during the opening of the 19th Annual Conference of the Federation of ASEAN Economic Associations at the Westin Philippine Plaza.

The IMF representative office yesterday told BUSINESS WORLD the Fund is not ready to issue any statement on Mr. Habito's statement.

"By tradition, the IMF review team will only issue a press statement after the review is finalized," the IMF office said. An IMF technical mission is currently reviewing the six-month economic performance under the Fund's three-year Extended Fund Facility [EFF].

Finance officials said the country does not need the second tranche of the EFF, which is expected to be released next year, considering the huge capital inflows which totalled $1.355 billion in the first semester.

In the event government does junk the IMF program all together, Mr. Habito said the country's credibility and credit risk will not suffer. "The IMF has been proven wrong in the past in terms of setting economic targets and I feel that we should now let our track record stand on its own," he said.

He said the 1994 monetary program agreed upon with the IMF was based on a projected 3.5 percent growth and on monetary parameters such as money demand elasticity and money multiplier, which the National Economic and Development Authority (NEDA) considered too conservative.

"We have been doing 5.5 percent, not 3.5 percent (gross national product growth rate). True enough, while we had significantly exceeded our monetary targets in the past weeks, we, nonetheless, had seen inflation go even below what the IMF program had projected," he said.

In November alone, inflation averaged 7.5 percent versus the programmed 8.3 percent.

The Inflation Challenge

"Our challenge is to keep inflation on its downward trend. We do want to go down to the level of the so-called ASEAN norm of 4 percent. But while it would be ideal for us to get there as soon as possible, we do have that other problem of the appreciating peso, which has begun to put into question the sustainability of our growth trend," he added.

A government source privy to the ongoing IMF review told BUSINESS WORLD there is a possibility the IMF may not agree with the more ambitious targets set by Philippine economic managers for 1995.

The Philippines has programmed the GNP to grow by 6 percent to 6.5 percent next year as against the original target of 5 percent to 5.5 percent.

"The higher growth targets we presented to the IMF team would mean higher money supply targets, which the IMF, being conservative, may not agree with," the source said. Under the IMF program, money growth cannot go beyond 15.6 percent, a figure computed based on inflation and economic growth projection as well as on demand for money.

The official said the IMF may bat for a lower inflation target than the 6.5 percent set for next year, on the grounds the Philippines managed to keep well within its inflation targets this year.

"This would mean tighter money supply which we are not inclined to agree with since we don't want a repeat of the peso appreciation which we experienced this year," the source said.

Raul Fabella, a professor at the University of the Philippines, argues there is no significant relationship between money growth and inflation.

In his paper, "The IMF and the Exchange Rate Mess," he observed that in 1986, money supply rose by 12 percent but inflation stayed at 0.8 percent with gross domestic product growth at 1.5 percent. In 1987, he said money supply grew by 10.4 percent while inflation remained at 3.8 percent and GDP growth climbed to 4.7 percent. He said money supply actually declined in 1988, but inflation then jumped to 8.8 percent and GDP shot up to 6.6 percent.

While listing the various rates of inflation and money growth through 1990 to 1993, he said that "anybody who can glean a relationship between the two must be very gifted." In 1990, money growth and inflation were at 18.4 percent and 14.2 percent, respectively; in 1991, at 15.5 percent and 18.7 percent; and in 1992, at 11 percent and 8.9 percent. Surprisingly, money supply in 1993 grew by a hefty 24 percent, but inflation registered a low of 7.6 percent. That year, Mr. Fabella said, was the year when the Philippines operated without the benefit of an IMF program.

In his paper submitted to the Senate, Mr. Fabella proposed immediate exit from the IMF's three-year exit program on the premise that the Fund's restrictions are leading to the continuous appreciation of the peso and eventual destruction of the country's manufacturing sector. Foreign investors are expected to pour in despite such a move because a changing global economic scene and the yen revaluation has spurred the massive movement of direct foreign investment into East Asia.

With limits set on money growth, the government is barred from making the large purchases of foreign exchange inflows since this effectively raises the amount of pesos in circulation. Because of the constraint, Mr. Fabella said, the value of the peso continues to spiral and fluctuate needlessly. With this development, "it is time that we take back our fiscal and monetary independence."

Most economists interviewed by BUSINESS WORLD agree the monetary ceilings act as obstacles to government's effective handling of the exchange rate problem. They also argue the presence of monetary ceilings had, in the past, contributed to the problem since the cap on liquidity had forced the Central Bank to maintain a practice where they would purchase dollars, then mop up pesos soon after. This practice, economists claimed, raised interest rates and fuelled more "speculative" foreign inflows attracted by profits gained from local and foreign interest rates differences.

In an interview, Florian Alburo, formerly NEDA acting director general, agreed that government aggressiveness to keep the exchange rate at the proper level—one which reflects real factors—requires that it abandon some of the monetary targets set by the IMF. To keep a competitive exchange rate, he said the Bangko Sentral [Central Bank] must allow further accommodation of dollars pouring into the country. But this will require negotiations with the IMF.

At this point, government needs to rethink the monetary ceilings because these are the ones causing the foreign exchange rate problem, Mr. Alburo claimed. "Government will have to reexamine the monetary ceilings, the monetary targets. It will have to reexamine them jointly with the IMF and convince them that they should be relaxed. This requires the Bangko Sentral to negotiate with the IMF if it is not willing to abandon the Fund's policy."

With the messy handling of the exchange rate, where the peso is allowed to appreciate continuously, Mr. Fabella pointed out that the whole manufacturing sector, and not just the export sector, is headed for ruin. Already, investments in durable equipment in 1994 has slowed down, from 9 percent in the first quarter, to 7.6 percent in the second. He added the growth in capital came largely from stock changes and revaluation. The share of the manufacturing sector in the economy is currently only 22.9 percent, which is "lower than it has ever been since 1975." The employment rate in July this year is lower than the rates in 1993 and in 1985.

Mr. Fabella said this is an opportune time to take advantage of the present high demand for pesos. In a daring proposal, he said that with huge demand for the local currency, the Bangko Sentral can afford to print more pesos. "We cannot collect benefit from this happy event if we simply let the peso rise. Allowing a rise in the price of the peso means less demand for it (less dollars chasing pesos)," he said. "We should instead print pesos as long as there is a foreign demand for it, buy dollars, and repay our current and future debt or build up our reserves for infrastructure growth. Our Asian neighbors are doing exactly this," he said.

Malaysian Official Hails Visit as 'Success'

BK0912163094 Kuala Lumpur RTM Television Network 3 in English 1430 GMT 9 Dec 94

[Passages within quotation marks recorded]

[FBIS Transcribed Text] Malaysia and the Philippines see eye to eye on major bilateral issues, including trade, investments, and migrant labor. Deputy Prime Minister Datuk Sri Anwar Ibrahim described his official visit to the Philippines as a success.

He held a press conference before he departed for Kota Kinabalu. Datuk Sri Anwar said relations between the two countries have never been better than it is now. He said both countries are working to upgrade commercial and economic links, which had earlier been put in the back burner because of other issues. They also agreed on the East Asia Economic Caucus, with President Fidel Ramos suggesting on certain specific points. However, Datuk Sri Anwar declined to say what the points were.

On the issue of Filipinos employed in Malaysia, Datuk Sri Anwar said Malaysia's policy has always been balanced:

"I have impressed upon them that we have to observe our rules and law, but we appreciate the sensitivities and we recognize the role and contributions that the workers have contributed to the Malaysian economy, but we are of course subjected to our laws."

Earlier, addressing the Asian Press Forum, Datuk Sri Anwar spoke about the role of the media, a subject which was also discussed when he visited Hong Kong last week:

"I believe for all intents and purposes the days of effective censorship and control of the media are numbered. First, the idea of openness and transparency has taken root in our societies and a step backwards would be a move against the spirit of the times."

The freedom of the press, he said, will have little meaning if it stressed for the sake of freedom. Freedom of reporting should be for the public's benefit:

"The more fruitful debate is not so much about freedom from censorship, but rather the need for the media to emerge as the podium for the encounter of ideas and opinions as well as the catalyst for the emancipation of the mind from mediocrity."

The forum on press, politics, and development was organized by local think tank and the University of the Philippines College of Mass Communications.

EPZ's Post $2.2 Billion for 3d Quarter

BK1212032194 Manila PHILIPPINE DAILY INQUIRER in English 8 Dec 94 p B2

[FBIS Transcribed Text] The country's regular and special export processing zones [EPZ's] posted some $2.23 billion in exports during the first three quarters of the year. This amount already exceeded the $2.06-billion exports for the whole of 1993.

The first three-quarter performance also represented 84.7 percent of this year's target of the Export Processing Zone Authority (Epza), which was placed at $2.63 billion.

This translates to a net trade balance of $798.7 million considering the total imports of $1.43 billion of companies inside the export zones.

Epza documents showed that the regular zones accounted for the bulk of the first nine-month exports at $1.65 billion with the special export zones in private industrial estates contributing the balance of $577.7 million.

The biggest earners among the regular zones were the Baguio and Mactan export processing zones, which registered total shipments of $556.35 million and $522.45 million, respectively.

The Cavite export processing zone reported total exports of $427.4 million while the Bataan export processing zone posted total export receipts of $147.5 million.

Investments in the export zones, according to Epza, reached P[Philippine pesos]7.98 billion as of October, surpassing by 199.5 percent Epza's target of only P4 billion for the entire year.

Special zones in private industrial estates cornered the bulk of the investments with P6.2 billion while the regular zones had only P1.78 billion in the first three quarters of the year.

As of end October, Epza said a total of 372 firms have registered with the agency. Of these, 303 firms are already operating.

The Epza also reported that these zone enterprises have already generated employment for 84,446 workers.

Abu Sayyaf Threats, Bombing Claim Reported

Group Threatens Holiday Attack

BK1212030894 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Dec 94

[FBIS Translated Text] The Abu Sayyaf plans to launch terrorist attacks in Zamboanga and Basilan to disrupt the Christmas holidays. For this reason, the military and police have warned residents and business establishments—especially department stores and shopping centers—to take precautions against Abu Sayyaf attacks. The military closely follows the movements of suspected Abu Sayyaf members.

In Basilan, the Basilan Electric Cooperative [Baselco] has received an extortion letter from the Abu Sayyaf. The rebels threatened to blow up electrical posts if the Baselco does not pay 50,000 pesos every month.

Takes Credit for PAL Bombing

BK1212113294 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Dec 94

[FBIS Translated Text] One person was killed while five others were injured when a mid-air explosion occurred inside a Philippine Airlines [PAL] jetliner. According to Tokyo Transport Ministry officials, PAL flight 434, which was heading for Narita Airport, made an emergency landing at Naha Airport in Okinawa at around 1200.

The dead passenger is a Japanese national identified as Haruki Ikigami. The explosion happened near Minami Naito Island, about 300 kilometers east of Okinawa.

In the wake of the explosion—the origin of which is the subject of an investigation—the pilots and crew of the plane exhibited their highest level of professionalism in the face of a very difficult situation in landing the aircraft at Okinawa's Naha Airport. Captain Ed Reyes, with the help of First Officer Jaime Herrera and Flight Engineer Dexter Comendador, successfully landed the B747-200 jetliner, carrying 273 passengers and 20 crew.

Meanwhile, PAL management assured the families of the injured passengers that they will be given all necessary assistance. PAL will also release additional information on the accident.

In the meantime, the ASSOCIATED PRESS said that it received a telephone call from a man claiming he was an Abu Sayyaf group member. The caller said an Abu Sayyaf member put a bomb inside a bag that was placed under one of the plane's seats. The Abu Sayyaf group has threatened to bomb another plane.

Government-RAM Talks To Resume 'Next Year'

BK1212052694 Quezon City Radio Filipinas in English 0230 GMT 12 Dec 94

[FBIS Transcribed Text] Government peace negotiators and their counterparts in the military rebel group Rebolusyonaryong Alyansang Makabayan [RAM; Nationalist Revolutionary Alliance] had settled their slight differences and are scheduled to resume talks early next year.

The RAM suspended the talks last 1 December after retired General Fortunato Abat, a member of the government panel, publicly accused the military renegades of negotiating in bad faith. According to former Navy Captain Proceso Maligalig, adviser to the RAM peace panel, the heads of both panels have had an [words indistinct] through Eduardo Abenina, that was Thursday, and patched up their differences. They also agreed to resume the peacetalks.

Abat's tirade against the RAM was prompted by news reports quoting Maligalig as saying that coup d'etat remains an option for the military rebels in their campaign to achieve reforms. Abat chastised RAM members for going on speaking tours justifying their right to use force against the government.

Maligalig explained he had been misquoted. Earlier RAM decided against Gregorio Honasan running in the 1995 elections though four other RAM leaders are said to be running for local posts.

General Enrile Cites Military Achievements

BK1212084394 Quezon City Radio Filipinas in English 0230 GMT 12 Dec 94

[FBIS Transcribed Text] Armed Forces Chief General Arturo Enrile claims the Armed Forces achieved its goals for 1994. Enrile also expressed confidence that the military can face its new role of helping the government in its infrastructure and development projects (?next) year. Among the achievements cited by Enrile were the reduction by 28 percent of the strength of the communist insurgency and the reduction of human rights violations committed by soldiers.

Thailand

Further on Moves Toward Government Dissolution

Chawalit Defends NAP Withdrawal

BK1012114794 Bangkok THE NATION in English 10 Dec 94 p A2

[FBIS Transcribed Text] The country's interests are more important than the government's stability, according to New Aspiration Party [NAP] leader Chawalit Yongchaiyut.

Chawalit yesterday said both the Democrat Party and the NAP were sorry for their conflict which resulted in the NAP withdrawing from the five-party government, and added that the NAP is still a friend of the Chuan administration.

"Please tell the government to take care of itself. We will meet again," Chawalit told reporters at the NAP headquarters. We are both sorry about what has happened, but this is politics. We are not enemies. We (the NAP) want the charter bill to be promulgated, but we still want it to be carefully scrutinized."

With strong backing by the opposition and Senate, the NAP defeated the government in voting on Articles 198 and 199 of the Constitutional Amendment Bill on Thursday.

The government supported the scrutinized version of the two articles, which requires the direct election of all members of local administrative bodies. The NAP claimed the two articles would seriously affect the kamnans' and village heads' authority and voted in favour of the opposition-sponsored version.

Thursday night the NAP announced its withdrawal from the government, citing political etiquette as its reason.

Gen Chawalit yesterday defended his party's action, saying the NAP will always act in the interest of the public and the country and explaining that the NAP had different opinions from other coalition members.

When asked if his action was correct, Chawalit said, "don't ask me—although I considered carefully before I decided, you must ask the people whether the NAP did right or wrong".

He said government members should not blame the parliamentary defeat on senators who were former members of the National Peacekeeping Council (NPKC) and voted for the original version of the two articles.

Everyone has a right to his or her own judgement, he added, and called on all sides to stop attacking the NPKC, which toppled the elected government of Gen Chatchai Chunhawan in 1992.

Chawalit said he was satisfied with the NAP's performance in its two years in office.

"I have to say I am satisfied and I have done my best. We have to build a house—the stability of the country and that of the government are not the same issue. Everyone understands this," he said.

He refused to comment whether an opposition party would join the Chuan coalition, but said a minority government would not survive very long.

"The government's days are numbered. We should cooperate in passing the charter bill—we want a good constitution for the people," he said.

Chawalit denied that he had tried to protect the authority of the Interior Ministry, but added that the importance of state officials should not be overlooked.

"We have proven that the majority of the people support the NAP's action. If not, we couldn't have won by such a big margin in Parliament," he said.

Chawalit then went to bid farewell to Interior officials, who welcomed him with banners praising him for his devotion to the Ministry.

Interior Permanent Secretary Ari Wong-araya was not present at the farewell.

Representing Interior officials, Deputy Interior Permanent Secretary Pramuan Rutchanaseri said, "We hope that in the near future you will come back".

Gen Chawalit told the officials that Articles 198 and 199 were small issues, and the responsibility of Parliament, not the government.

He said he had tried hard to reach an agreement with Prime Minister Chuan Likphai, but the NAP had to stand firm in its position.

"I did not withdraw the NAP from the government because of anger. We withdrew because we believe what we did was right," he said.

"We will always love and care for Interior officials. This is most important."

Businessmen Urge Prompt Resolution

BK1012160394 Bangkok THE NATION in English 10 Dec 94 pp B1, B2

[FBIS Transcribed Text] Leading businessmen yesterday said the current political confusion should not be prolonged otherwise the economy will be severely affected.

Prime Minister Chuan Likphai's minority government should stay on until the Constitutional Amendment Bill is passed and if a new majority government cannot be found soon, then the House should be dissolved, said Phichian Amnatwaraprasoet, a businessman who was active in the pro-democracy movement during the May 1992 bloodbath. He made the comment as the Chuan administration became a minority government yesterday with the withdrawal of the New Aspiration Party. Other businessmen also joined the chorus in not wanting to see the confusion drag on too long.

Phichian also expressed dismay with the sections of the Senate with ties to previous members of the disgraced National Peacekeeping Council (NPKC) who voted with the Opposition and the New Aspiration Party against the government on articles 198 and 199 of the Constitutional Amendment Bill.

He said the move implies that the NPKC still wants an influence in politics. "Really, it is a weak point in the Constitutional draft issued by NPKC in 1991, in which the Senators have rights to vote for the amendment. In this sense, it was a dictatorship," he added.

Phichian, now managing director of Bangkok Golf Service Co, said it would be a big setback for Thailand if NPKC members made a comeback in the next election.

Government spokesman Aphisit Wetchachiwa put on a brave face, saying that the business community should not panic. " What is happening in the Parliament should not be seen in the same light as the status of the government, which is still functioning."

He said the government would continue to work on major issues including the solution to the Bangkok traffic crisis.

The fragile Chuan government now controls only 141 MPs in the House against 219 Opposition MPs including the ousted New Aspiration Party.

"This should not have much impact on the economy. Politics is always volatile. Problems are created by the people and should be solved by them," said former Prime Minister Anan Panyarachun, who is currently chairman of Saha Union Corp Ltd.

Somchet Musiriloet, managing director of National Finance and Securities, attributed this round of political crisis has come from excessive politicking and the ordinary people did not have much of a say. [sentence as published]

"Politicians should work more rather than to play political game," he lamented.

He sees two solutions: the first is a major Cabinet reshuffle which will lead to strengthening of confidence among investors that the government would meet its four-year term.

Another is dissolution of Parliament which may impressed some investors as the outlook is then clear-cut.

Dr Plaiphon Khumsap, an economics lecturer at Thammasat University, said the Democrat-led minority government should not let the current situation drag on too long.

"There will be impacts on investment. The uncertainty should not continue too long. We have to see a new government," said Dr Manop Phonsathat, a property consultant and lecturer at Chulalongkon University.

Sophon Wichitrakon, president of Oriental Fibre Co, expressed disappointment with the turmoil in Parliament which means further delays to the enactment of a law to set up an institute to promote the textile industry.

A representative of the Thai Hotels Association also said that the enactment of the tourism council law, with the draft approved during the former Anan government, will face more delays.

Wichit Na-Ranong, president of the Thai Hotels Association, does not see any impact on foreign tourism arrivals but there may be a short term impact on the domestic tour business as people with businesses sensitive to politics may stop travelling for a while.

"International travel will still be okay as long as the political problems are played out within the rules," he said, adding that the performance of the Chuan government in the past two years has been satisfactory as the budget for the tourism sector has risen 10-20 per cent annually.

Phichian, while advocating the Constitution Amendment Bill be passed as a top political priority of the minority government, said in reality, the minority government cannot remain stable with an aggressive Opposition trying to wrestle control of the government.

"Personally, I think Khun Chuan will choose to dissolve the House rather than quit the premiership," he said.

If the prime minister resigns, the Democrat Party and the other three coalition parties will be in Opposition at once. But, if the House is dissolved, the same parties will be able to govern again.

Phichian said that the vote on Dec 8 indicated that the Opposition is not sincere in the amendment of articles 198 and 199.

"There is no authenticity in politics. It is like the government was cheated into amending the articles by the Opposition parties, but eventually, the Opposition did not maintain their objective," he added.

From the voting on Dec 8, the New Aspiration Party showed that they hope to win the hearts of Kam Nan and Phu Yai Ban in the next election. However, Phichian does not think the same way.

"I believe the NAP will receive less votes. Indeed, a majority of the votes are from people living in the provinces".

Chuan Favors Government Dissolution

BK1112094194 Bangkok THE SUNDAY POST in English 11 Dec 94 pp 1, 3

[FBIS Transcribed Text] Chat Thai leader Banhan Silapa-acha yesterday implied that he was willing to join Prime Minister Chuan Likphai's government only if the premier resigned and formed a new coalition. But reliable sources in the Democrat Party said Mr Chuan remained firm in his resolve to dissolve Parliament despite the desire of some key members, including Secretary-General Sanan Khachonprasat, to bring Chat Thai in.

Maj-Gen Sanan reported to Prime Minister Chuan that he had approached Chat Phatthana and Chat Thai to explore the possibility of forming a new coalition, the sources said.

"Chat Thai appears to be more generous towards the Democrats than the CPP," one of the sources quoted Maj-Gen Sanan as telling Mr Chuan. Maj-Gen Sanan encouraged the Premier to accept Chat Thai. But the source said Prime Minister Chuan was against trying to form a coalition with Chat Thai, for the reason that "the issue has become one of dignity" and he preferred a dissolution.

The Premier's position was conveyed to Maj-Gen Sanan at his home during a telephone conversation. Maj-Gen Sanan spent most of his time yesterday at home discussing the political situation with key Democrat members including deputy Prime Minister Banyat Banthatthan, Prime Minister's Office Minister Thoetphong Chaiyanan, Deputy Industry Minister Phonthep Techaphaibun and former Nakhon Si Thammarat MP Suphatra Matsadit.

Mr Banhan told reporters he did not rule out the possibility of his party becoming a partner in a new coalition led by the Democrat leader. He said he did not favour a House dissolution followed by a general election in three months.

"I think the house should remain. It's not a good idea to have elections too often. I think the Government can work things out," he said.

Mr Chuan said he already had it in his mind what to do in the near future in the current political situation. But he declined to say whether he would dissolve the House and call an election or resign and take a certain Opposition party into the government. He said, however, that whatever action he took, the current coalition partners would remain.

Chat Thai secretary general Sano Thianthong insisted that an agreement among Opposition parties not to break ranks and join the Chuan Likphai coalition could be reviewed if necessary.

"Laws can be reviewed, so why can't a gentlemen's agreement be reviewed if the situation and conditions change?" said the veteran politician for Sa Kaeo province.

Mr Sano's remark echoed what Chat Phatthana secretary-general Prachuap Chaiyasan said on Friday, that no single Opposition party wanted New Aspiration's Cabinet posts unless all ministers resigned to give the premier the freedom to pick new partners, either from the current coalition or from the Opposition.

The possibility was raised amid speculation over whether either Chat Thai or Chat Phatthana had been approached by the Democrats to join the minority government.

Chat Phatthana Party deputy leader Suwat Liptaphanlop said party leader Chatchai Chunhawan was the party's "decision-maker", and denied he had been approached by the Democrats.

Gen Chatchai was adamant on Friday that his party would not join the Chuan coalition under any circumstances.

Mr Suwat met with Gen Chatchai at the latter's Ratchakhru residence for almost two hours yesterday. He said most politicians in general and the Democrats in particular do not want a general election.

"It's a tedious affair and no one wants to run too often," the Nakhon Ratchasima MP said.

Meanwhile, Seritham Party leader Athit Urairat said his party's ministers were ready to resign if asked, in order to give a free rein to the premier to choose a new partner.

"Whatever means there are to contribute the national interest, I will adopt them," said the Public Health Minister.

Mr Banhan gave an assurance that his party would not sink the Constitution Amendment Bill at its third reading.

House Speaker Marut Bunnak said the recent joint motion of the Opposition and the Senate seeking to open a special parliamentary session was meant for the Constitution Amendments Bill and other left-over legislation and motions, which could include a no-confidence motion against the Chuan cabinet. Mr Marut said the motion would be forwarded to His Majesty the King tomorrow.

He said one senator had withdrawn her support for the motion, and two were found to have "unfamiliar" signatures on the list of about 230 MPs and senators. He said he was constitutionally required to forward the motion to His Majesty within three days.

Meanwhile, the Local Administration Department may seek 700 million baht to organise a general election likely next year. According to the department, there will be about 41 million voters including 2.2 million newly-enfranchised voters aged 18 to 20.

Department director-general Chuwong Chayabut said yesterday a general election could not be avoided given the political situation.

On Friday, he called officials in charge of elections to a meeting to discuss preparations for an election. A report said the constitution, which lowered the voting age to 18, would increase the number of MPs from 360 to 380. The number of voters would increase from 38,389,116 to 40,632,111.

Election Division director Pricha Phadungchan said his agency was ready to organise the election and materials required were available.

The budget to be spent on the election depended on the number of polling stations and the number of likely voters, he said.

The needs of three new provinces, Sa Kaeo, Nongbua Lumphu and Amnat Charoen, would have to be accommodated.

Royal Announcement on Removal of Cabinet Members

BK1212072894 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Dec 94

[FBIS Translated Text] Announcement on removal of cabinet ministers:

Royal Signature: Phumiphon Adunyadet, Rex.

His Majesty King Phumiphon Adunyadet has graciously commanded it to be proclaimed that in connection with the annoucement dated 23 September 1992 on the royal appointment of Chuan Likphai as prime minister, the announcement dated 29 September 1992, and the latest announcement dated 25 October 1994 on the appointment of cabinet members, the prime minister has now proposed the removal of some ministers for the interests and benefit of the administration of the country. Empowered by Article 171 of the Constitution of the Kingdom of Thailand, His Majesty the King has approved the removal of the following cabinet ministers:

1. Sukhawit Rangsitphon, deputy prime minister;
2. Surasak Thiamprasoet, minister attached to the Prime Minister's Office;
3. Bunchu Trithong, deputy minister of finance;
4. Sawat Supsaiphrom, deputy minister of agriculture;
5. Chatchai Iasakun, deputy minister of commerce;
6. General Chawalit Yongchaiyut, minister of interior;
7. Wanmohammatno Matha, deputy minister of interior;
8. Phaithun Kaeothong, minister of labor and social welfare;
9. Soemsak Karun, deputy minister of labor and social welfare;
10. Phisan Munlasatsathon, minister of science, technology, and environment;
11. Sangthong Sitharet, deputy minister of education;
12. Kiatchai Chaichawarat, deputy minister of industry.

This announcement is to be effective immediately.

Announced on 11 December 1994, being the 49th year under the reign of the present king.

Countersigned by Chuan Likphai, prime minister

Editorial Deplores Moves To Topple Government

BK1012123594 Bangkok MATICHON in Thai 10 Dec 94 p 2

[Editorial: "Do Not Topple the Government Simply for Political Gains"]

[FBIS Translated Text] After the withdrawal of the New Aspiration Party [NAP] from the government due to disagreement over amendment to the articles 198 and

199 of the constitution, the Chuan Likphai government has stated clearly that it will continue to administer the country as a minority government. However, it is difficult to do this with the opposition, abetted by many senators and the ousted NAP, breathing down its neck.

Senators, particularly former National Peace Keeping Council members, and the opposition voted together to badly defeat the four-party coalition government on articles 198 and 199. They also combined for 230 signatures to petition the parliament president to convene a special parliament session immediately after the end of the current ordinary session for no less than 45 days from 20 December-1 February.

In their most urgent petition, the senators and opposition MP's sounded so impressive, saying: the time remaining in the current session is not sufficient for passing the constitution amendment bills, and to debate impending bills and issues important to national interests. There are, however, doubtful points worth being pointed out here.

Are the senators and opposition Members of Parliament [MP's] making their justification for the special parliament session from a clear conscience? Their conduct as seen by the people clearly shows that they are cooperating in every way possible to topple the Chuan Likphai government. This is clear from the way the senators so eagerly added their signatures to those of the opposition MP's to convene a special parliament session. In the past 15 years senators never joined the opposition bloc regardless of how just their causes were or how grave the crises.

The opposition bloc is waiting for an opportunity to submit a motion for a no-confidence debate against the prime minister or the entire cabinet, which has now become a minority government, while senators stand around giving encouragement. Although the opposition has the right to do this as part of its duty under the constitution to examine the government's national administration, it and the senators should think carefully even if they may feel justified in questioning the issuance of land reform documents and the possible resignation of the agriculture minister, which could deprive them of a good opportunity to grill them.

It would be very inappropriate for the opposition bloc to use the opportunity when the Chuan administration is minority government to topple the prime minister. The opposition certainly knows that Chuan will dissolve the house if he is cornered. The opposition will deserve strong condemnation if it wants the government to fold as soon as possible so that the constitution amendment bills and other important legislation will fall with it.

To do that would expose the opposition's claims cited in its petition for convening the special parliamentary session. The claims would be viewed as those made by unreliable liars who resort to political trickery and do not care for interests of the whole. In the current political turmoil, people do not want to see constitution amendment bills, which await approval in the final reading, and other important legislation to be dropped because the house may be dissolved. For to drop them would mean that people has gained nothing in the past two years under the current parliament other than incessant political games and battles.

In the current impasse and the situation that puts the minority government at a dead end, we appeal to the opposition bloc and senators to be aware of the feelings of the people, who are the masters of the country. They strongly deplore political games aimed at taking revenge on the other side or at gaining power at the expense of their due interests. The minority government under Chuan should be allowed to function until the final reading of the constitution amendments and other major bills are passed. The people have no objection to political changes after that.

Editorial Criticizes NAP Chief, Senators

BK1012144294 Bangkok KRUNGTHEP THURAKIT in Thai 10 Dec 94 p 2

[Editorial: "Do Not Revive the Ghosts of the National Peace Keeping Council"]

[FBIS Translated Text] Finally, the Thai people have witnessed the selfish political activities of certain politicians in the government. They disregarded the decision of government whips to vote for constitution amendment bills, badly disregarding political etiquette. This is their first sin.

For their the second sin, a politician among those above lobbied some senators to vote against these bills. The normal role of senators is to scrutinize legislation, not to engage in political games. What is more sinful is the fact that some senators seized the opportunity to take revenge on the government for trying to reduce their power by signing a petition for a special parliamentary session. These senators are reportedly former members of the National Peace Keeping Council [NPKC], but its number in the senate pool is small. The NPKC contributed to the massacre in May 1992.

The designs of the politician, in disregard of democratic principles to gain support of village chiefs and local leaders who would be affected by the constitution amendments, is shameful. What is more despicable is his effort to create a "united front" with the dictatorial, former NPKC members. This reveals his political spirit, and once he lacks firm principles he turns toward dictatorship. He forgets the fact that he was once a vanguard against dictatorship. It makes people wonder if he had any democratic conscience when he joined politics.

For some senators, although the law allows them to participate in activities with members of parliament, it is not their duty to blatantly support the petition for a no-confidence motion against the government. Such behavior is undesirable in democratic traditions. If these senators want to enter the political arena they should run for house seats. Their opportunistic, political conduct is shameful.

It has now been proved that the senate, that it has no thorough code of conduct and consists of senators who are unethical and selfish, has become a direct obstacle of democratic development.

We sympathize with the government for the current undemocratic situation. In any event, we do not think the situation will cause it to lose impetus in guiding the ship of state through obstacles. Although it is in the minority compared with the opposition, the opposition will have to pass legislations that serve national interest. To do otherwise would expose it as group that does not work for the nation and thus would not be re-elected in future elections.

The government will have to work urgently and earnestly to solve the political impasse once the important legislations are passed. We emphasize that we really do not wish to see a house dissolution, providing that ways are found to preserve the democratic system and keep the present government until the end of its full four-year term. In any event, it is up to the Democrat Party, the government core, to choose between dissolving the house and reshuffling the government. The most important thing is that it must not bring into the government the politicians who have a history of appeasing the NPKC, because then the government will only damage its honor and reputation.

Vietnam

Government Responds to Death of Lao Minister

Party, Government Send Condolences

BK1012100894 Hanoi VNA in English 0550 GMT 10 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 9—The Central Committee of the Communist Party of Vietnam, and the Vietnamese Government has sent a message of condolences to their Lao counterparts over the decease of Comrade Phoun Sipaseut, Politburo member of the LPRP [Lao People's Revolutionary Party] Central Committee and head of its External Relations Commission, deputy prime minister, and former foreign minister of Laos.

The message recalled the Lao leader's great contributions to the national construction and defence, and to the external relations activities of the Lao party and government. 'Comrade Phoun Sipaseut is a close friend of the Vietnamese people, who had constantly strived for the consolidation and development of the special friendship and solidarity between Vietnam and Laos', the message stressed.

Leaders Pay Tribute

BK1212163794 Hanoi VNA in English 1427 GMT 12 Dec 94

[FBIS Transcribed Excerpt] Hanoi VNA Dec. 12—A delegation of the Communist Party and the Government of Vietnam led by party General Secretary Do Muoi and Prime Minister Vo Van Kiet paid floral tribute at a homage ceremony held in Lao Embassy this morning to Phoun Sipaseut, Politburo member of the Lao People's Revolutionary Party and vice prime minister who died last week.

Noting on the mourners' book, party General Secretary Do Muoi and Prime Minister Vo Van Kiet described Phoun Sipaseut as "a staunch revolutionary fighter" and "a very close friend of the Vietnam people". [indistinct passage omitted]

Philippines President Welcomes Doan Khue Visit

BK1112070594 Hanoi Voice of Vietnam in English 1000 GMT 9 Dec 94

[FBIS Transcribed Text] Candid discussions between Vietnamese and Philippine military leaders have been described as an important process in maintenance of stability in the region. Philippine President Fidel Ramos made the comment when meeting with the visiting Vietnamese military delegation led by Defense Minister Doan Khue on Wednesday, 7 December. General Doan Khue also held talks with the delegation led by Philippine Defense Minister Renato De Villa. The two sides exchanged views on the situation of national development and the armed forces in each country.

Defense Minister Concludes Visit

BK1212090194 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Dec 94

[FBIS Translated Text] A Vietnamese military delegation led by Senior General Doan Khue, minister of national defense, left Manila on 9 December, satisfactorily winding up its official friendship visit to the Republic of the Philippines.

His Excellency Renato de Villa, minister of national defense, and many generals and officers of the Armed Forces of the Philippines were on hand at the airport to see off the delegation.

While in the Philippines, the delegation laid a wreath at the memorial to Rizal, the Philippine national hero. The delegation was cordially received by Philippine President Fidel Ramos. All the meetings and talks between the Vietnamese and Philippine military delegations produced good results, thus upgrading the friendly relations between the two national defense ministries and the two armed forces to a new level and creating the conditions for various military delegations, institutions, schools, and defense researchers of the two countries to study the situation, learn from each other's experiences, and exchange visits.

Our military delegation also visited the Philippine Military Academy in Baguio City—the place where the top Philippine military leaders are trained. It toured a training center in Rizal Province, the (?Floro) defense industrial complex, Subic port, the Naval Command, and Subic Naval Base.

Our military delegation was accorded a warm, solemn, and friendly welcome in Manila as well as all the localities and units it visited.

Interior Minister Boosts Cooperation With Malaysia

BK1212144094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Dec 94

[FBIS Translated Text] On 11 December, the Vietnamese Interior Ministry delegation, led by its Minister Bui Thien Ngo, concluded an official friendship visit to Malaysia.

During its stay in Malaysia, the delegation held working a session with the Malaysian Interior Ministry to exchange experiences and discuss ways to enhance cooperation between the two ministries in opposing crimes, suppressing the illegal arms trade, stopping drug trafficking, maintaining security in the airspace and sea territory of the two nations, and promoting the training of police officers of the two ministries.

The Vietnamese delegation visited the Royal Malaysian Police [RMP] Headquarters and the Royal Malaysian Police Academy's [RMPA] training center. The RMP Inspector General and rector of the RMPA welcomed Vietnam's active preparation to become an official member of ASEAN. He said that the RMP is ready to welcome the Vietnamese Police as member of the ASEAN police forces and that Malaysia will cooperate with Vietnam in training police officers.

Chinese Friendship Delegation Concludes Visit

BK1212163494 Hanoi VNA in English 1400 GMT 12 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 12—The delegation of the National People's Association for Friendship and Foreign Countries led by Mrs Chian Zheng Ying, vice president of the All-China Political Consultative Conference [organization name as received] and advisor to the association, concluded a week-long visit to Vietnam on Dec. 11.

During the visit, the delegation paid tribute to President Ho Chi Minh at his mausoleum.

It was received on seperate occasions by party General Secretary Do Muoi and party Central Committee advisor Pham Van Dong who both wished the friendship associations of the countries promote activities so that the Sino-Vietnamese traditional friendship and cooperation would develop.

The Chinese guests were also received by Deputy Prime Minister Phan Van Khai and Fatherland Front President [name indistinct].

They called at the offices of the Women's Union and the [words indistinct]. They also toured some economic and cultural establishments in the port city of Haiphong and Ho Chi Minh City.

Relations With ASEAN Member Countries Viewed

BK1212081494 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Dec 94

[Article by station correspondent Duong Quang]

[FBIS Translated Text] There are fine developments in 1994 in the relations between Vietnam and ASEAN for the sake of peace, stability, security, cooperation, friendship, and development in Southeast Asia. Since early in the year, Singapore Prime Minister Goh Chok Tong chose Vietnam as the first country for his foreign activities. He brought to Vietnam a lively example of national construction by the three million population of Singapore, a country just established 30 years ago. Thai Prime Minister Chuan Likphai paid an official visit to Vietnam in February. He brought along the sentiment of 53 million people from our close neighboring nation, who share the Mekong River with the Vietnamese people. In April, we had the honor to welcome Philippine President Fidel Ramos, who represented the 60 million Philippine population who live across the Eastern Sea [South China Sea].

At the invitation of various countries in the region, our party General Secretary Do Muoi paid an official friendship visit this spring to Malaysia following his visit to Singapore and Thailand in late 1993. Leaders of these friendly nations have expressed their pleasure in having the chance to visit Vietnam. They welcomed the fine developments achieved by the Vietnamese people. Singaporean Prime Minister Go Chok Tong said that his country and other ASEAN member countries shared pleasure in seeing Vietnam's achievements. Thai Prime Minister Chuan Likphai asserted: The Thai Government is firmly convinced that Thai-Vietnamese friendship will contribute to strengthening cooperation, prosperity, and stability in the whole Southeast Asian region. Philippine President Fidel Ramos described the friendship by referring to a Vietnamese proverb saying: A firm tree must be supported by its deep roots. He stressed that efforts by leaders of countries in the region to promote contacts to exchange views on issues of mutual concern are very essential for strengthening friendship and accelerating development cooperation. Malaysian Prime Minister Mahathir Mohamed, in his welcoming speech to visiting Vietnamese Party General Secretary Do Muoi said:

Malaysia recognizes and admires the great potential of Vietnam. We are convinced that Malaysia and Vietnam as well as ASEAN and Vietnam can set up a true partnership in various economic activities for mutual benefit. Efforts to develop friendship and neighborly relations among countries in the region will greatly contribute to building Southeast Asia into a zone of peace, stability, and prosperity.

Along with development in politico-social activities, Vietnam also has promoted relations in the economic and trade domains with countries in the region. The two-way trade between Vietnam and ASEAN member countries in 1994 reached over $2 billion against $163 million in 1989, an 10 fold increase. The trade exchange rate between Vietnam and ASEAN increased from 3.6 percent in 1989 to over 30 percent at present. Regarding investment, the ASEAN member countries only tail after Taiwan and Hong Kong with a total investment capital increase from $179 million in 1989 to almost $1.5 billion in 1994.

In real life, what happens will happen. It is now time for the 10 Southeast Asian nations to contribute efforts and energy to struggle for peace, stability, and progress. The 27th ASEAN annual conference in Bangkok in late July has testified to this fact. For the first time, the 10 Southeast Asian nations attended the conference to assert the truth that the peace and prosperity of each country and the whole region is inseparable. At this conference, a unanimous consensus was attained on the fact that Vietnam's joining ASEAN is the matter of time rather than an issue of principle or policy. In fact, ASEAN wishes to see Vietnam become a member as soon as possible. In the joint communique issued at the conference, the ASEAN foreign ministers asserted that their high-ranking officials and the ASEAN secretary general will exchange views with Vietnamese and Lao officials on the appropriate forms and arrangements to encourage these two countries to participate more in various ASEAN conferences and cooperation programs. These foreign ministers expressed the belief that efforts to participate and make oneself acquainted with ASEAN activities will help Vietnam and Laos prepare well for ASEAN membership. The ASEAN annual conference reaffirmed its commitment to build a Southeast Asian community with all countries joining ASEAN. It also asserted the obligation to carry out ASEAN's principles and objectives on ensuring peace and security in the region.

At present, the Southeast Asian region is facing two great ordeals that must be overcome: First, it must strive to promote cooperation for development. Otherwise, the region will lag behind economically when compared to other countries, regions, and economic groups, thereby becoming dependent on big nations. Second, the region must strive to prevent the danger of an armed confrontation which can occur due to contests in the exploration of natural resources, armed races, and conflicts regarding land and sea territories among various nations especially conflict in the Eastern Sea.

Regarding the possibilities of expanding cooperation for development, the region is well known for its dynamic efforts with ASEAN serving as a pillar. This year, ASEAN has maintained its leading development pace in the world with a 7 percent growth rate. Vietnam, benefiting from the general development trend in the region, also scored a high growth rate of 8 percent.

To ensure a long-lasting development pace, ASEAN is striving to enhance cooperation among its member countries by making efforts to establish a free trade zone, strengthen its bargaining power, and enhance its capability in world economic competition. ASEAN also wishes to increase its membership, especially to the remaining Southeast Asian nations. Former Singapore Prime Minister Lee Kuan Yew said: It is a matter of pride for us to have ASEAN composed of all 10 Southeast Asian nations. ASEAN must surge forward to expand its scale to gain great respect from the world.

To prevent the unstable and insecure conditions or confrontations which may occur due to conflicts in the Eastern Sea, all the ASEAN member countries have implemented strictly the Declaration on The Eastern Sea issued by the ASEAN 25th annual conference in Manila in July 1992. This declaration asserted the necessity to resolve all issues related to sovereignty and jurisdiction rights of nations through peaceful measures and to refrain from using force. It called for parties concerned to implement the principles stipulated in the Southeast Asia Treaty of Amity and Cooperation. Once again, the declaration on the Eastern Sea has been highly appraised at the Regional Forum held in Bangkok last July with the participation of foreign ministers of 10 Southeast Asian countries and representatives of ASEAN dialogue partners including the United States, Japan, Australia, New Zealand, Canada, the Republic of Korea, the European Community, and two special guests namely Russia and China.

Vietnam-ASEAN relations, which have developed a further significant step in 1994, is lively proof manifesting the fundamental change in the situation of Southeast Asia. The trend of peace, stability, and cooperation is surging forward. All nations in the region have reached a consensus that development in each country will help accelerate development in the whole region and that development in the region will create favorable conditions for each country to advance further to attain prosperity and happiness, a firm basis for long-lasting peace and stability.

Events at Telecommunications Meeting Described

BK1012091094 Hanoi VNA in English 0659 GMT 10 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 10—A delegation of the Vietnam Posts and Telecommunications led by its Deputy Secretary General Do Trung Ta has attended the first sub-regional telecommunications meeting for Cambodia, Laos and Vietnam held recently in Vientiane.

The Lao delegation was led by Mr. Phetsamon Vilaphan, deputy director of the cabinet Ministry of Communication, Tranport, Posts and Construction and the Cambodian delegation by Mr. Phan Phin, under secretary of the State Ministry of Posts and Telecommunications.

The participants exchanged experiences in telecommunications activities and discussed measures to promote the telecommunications cooperation among Vietnam, Laos, and Cambodian in the coming time.

Defense Ministry Reports on Army Goods Production

BK1012093094 Hanoi VNA in English 0550 GMT 10 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec 9—At present, 300 enterprises of the army engage in production of consumer goods and have become self supporting, according to the Defence Industrial and Economic General Department of the Defence Ministry.

In 1994, army enterprises' civilian goods output value increased five times over the 1990 figure. Their contribution to the state budget in the same period also increased six times.

Those enterprises produced many high-quality products such as mechanical spare parts for oil and gas, power, construction and textile industries, electricity fans, bicycles and electrical appliances.

The army enterprises have supplied up to 80 per cent of the total of industrial explosive materials used in various economic branches.

The army construction enterprises have also taken a significant share in the civilian construction market, engaging in construction of key infrastructure projects in the fields of electric power, water conservation and communications and transportation.

The army enterprises engage in civilian businesses including trade, tourism, hotel service and others in order to make full use their own present facilities.

At present, the military industries are reaching to the fields where they have favourable conditions to develop and serve both national defence and economic construction such as capital construction, mining, aviation services, on-sea service, mechanics, industrial explosive material production, communication and garments.

Government Estimates 1994 Growth at 9 Percent

BK1112070094 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 10 Dec 94

[FBIS Translated Text] According to the General Statistics Department's preliminary estimate, Vietnam's gross domestic product in 1994 is 170 trillion dong, or an increase of 9 percent.

In 1994, the growth rate of the business and service sectors continued to rise while that of the agro-forestry sector was slowing down. Generally speaking, the growth rates of all economic sectors have been maintained. The total state budget for 1994 is 32 percent more than that of 1993.